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ABSTRACT

This document reports activities and findings of a study concerning the California State Job Training Coordinating Council's implementation of the Job Training Partnership Act (JTPA). The study had the following objectives: (1) analyze the structure, role, and administrative policies of the council; (2) determine the effects and benefits of council policies on private sector involvement in JTPA, on local Private Industry Councils, on Service Delivery Areas (SDAs), on other employment and training programs, on economic development, and on overall program performance; (3) assess the organizational and functional interrelationships of the different players in JTPA and related programs; (4) determine how the JTPA impact varies from that of earlier employment and training programs; (5) define specific effects on, or needs of, the private sector as related to JTPA implementation; (6) develop strategic and tactical recommendations for improving council performance and effectiveness; and (7) analyze the implications of demographic trends in California on council policy and strategy. The document introduces the study, reviews the literature, describes state and local programs, summarizes a private sector survey, explains trends in California's JTPA program, provides an overview of demographic and economic changes predicted for California in the year 2000, reports a survey of Job Training Coordinating Councils in other states, and reports the study's findings and recommendations. The document also includes a 44-item bibliography, a glossary, and two appendices. The appendices report relationships of performance measures and SDA characteristics and the summary results of an employer survey. (CML)

JOB TRAINING PARTNERSHIP ACT
CALIFORNIA

ED317804

STATE JOB TRAINING COORDINATING COUNCIL

Final Report on a Coordination Study of the SJTCC and JTPA

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Arthur Young
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September 1, 1988

Ms. Diana Marshall
Executive Director
State Job Training Coordinating Council
800 Capitol Mall, MIC-67
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Dear Ms. Marshall:

Enclosed is the final report of the coordination study performed for the Council by Arthur Young and Training Research Corporation. Our report describes the activities of the study team for the duration of the study. The report includes:

- *An executive summary*
- *Complete findings and recommendations for all phases of the study*
- *A separately bound appendix which includes detailed data not previously provided in appendices to the earlier reports.*

As is natural in a study of this magnitude, there are many people who have assisted the study team. Besides all Council members, who were especially helpful at the beginning of the study, we would like to thank:

- *You and your staff, especially Patti Heerhartz, for your cooperation and assistance through the study*
- *Each of the 51 SDA administrators and their staffs for their cooperation*
- *The four case study state council chairs and executive directors*
- *The 121 service providers, the PIC chairs, the local elected officials, EDD, GAIN and Economic Development officials, and the state agency representatives we interviewed.*

Should you have any questions regarding the progress report, please contact Mr. Joseph Hill at (916) 443-6756 or Dr. Richard Moore, Project Director at (213) 393-0061.

Very truly yours,

Arthur Young

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I. INTRODUCTION

The California State Job Training Coordinating Council (SJTCC or the Council), invited interested firms to propose their consulting services for a Coordination Study of the Council and the Job Training Partnership Act (JTPA or the Act). Arthur Young, with our major subcontractor, the Training Research Corporation, was awarded the contract to perform the study. In this introductory section we discuss the study background, objectives, and major activities. Subsequent sections present our study results, including specific findings and recommendations.

A. BACKGROUND

The Job Training Partnership Act became law in October 1983, replacing the Comprehensive Employment Training Act (CETA) as the nation's principal public employment and training program. The JTPA represents a departure from CETA and other federal employment programs in that it gives the private sector a statutory role in designing job training services for youth and adult participants who are economically disadvantaged and face barriers to employment. Unlike CETA, which relied heavily on public sector employment, JTPA is designed to train and place individuals in private sector jobs. JTPA monies, which nationwide total $3.3 billion, are allocated to specific components, the largest ones being the training of youth and adult workers under Title II, and dislocated workers under Title III.

In FY 1986-87, California received approximately $300 million for JTPA programs. These programs are administered at the state level by the Job Training Partnership Division within the Employment Development Department. At the local level, JTPA is implemented through a partnership of public and private agencies. Working through business-dominated Private Industry Councils (PICs), programs are developed to move unemployed participants to new jobs based on local labor market needs. Services are delivered to participants through community-based organizations (CBOs), public schools and colleges, and various private organizations.

To plan, coordinate, and monitor the state's JTPA system, Governor George Deukmejian, responding to JTPA and Family Economic Security Act (FESA) legislation, in May 1983 established the State Job Training Coordinating Council, an organization of key representatives from business, labor, government, education, and the community. The Council serves as the Governor's link to, and advisory body for job training activities in the state. Specifically, the mission of the Council is to:

> *"....insure that the critical areas of economic growth, improved work force productivity and deterrence of family dependency on public funds are addressed through job training and vocational education programs in California. Through state and local efforts, the Job Training Coordinating Council will assist in establishing a cooperative partnership between government and the private sector."*[1]

The mission statement of the SJTCC puts it at the administrative and policy-setting hub of California job training and vocational education. The SJTCC must:

- *Coordinate the work of more than ten state agencies*
- *Establish and fund 51 local service delivery areas (SDAs)*
- *Serve as a link between the public and private sector*
- *Oversee the administration of the JTPA by the Employment Development Department.*

All this must be accomplished with diminished federal funds in the context of the nation's largest state, whose economy is being reshaped in often unpredictable ways by international competition, new technologies, and a changing population.

The transition to the Job Training Partnership Act from the Comprehensive Employment and Training Act entailed many important changes in the way job training was administered. The role of the federal government was reduced and the role of the state government increased. More emphasis was placed on the involvement of private sector employers through local PICs and at the state level through state job training coordinating councils. The importance of coordinating JTPA with other training and employment services, economic development programs, and social welfare programs was given new priority.

---

[1] Annual Report to Governor George Deukmejian, 1986.

In addition to administrative changes, the Act also changed things in other important ways. First, the amount of federal funds available under the Act was a fraction of those allocated under CETA. Public service employment, which accounted for the bulk of funds spent under CETA, was eliminated completely. Stipends were no longer paid to participants; and support services, such as child care and transportation, were reduced drastically. The emphasis of the JTPA was on short-term training and employment services that lead directly to employment.

In California, the job of translating these policy changes into action fell to a large degree on the SJTCC. Through the transition period and into the first years of operation, the SJTCC had to decide how to use the authority assigned to it under the JTPA and FESA. Specifically, in the first three years of operation the SJTCC had to:

- *Set up the SDAs*
- *Establish performance standards*
- *Comply with new federal regulations*
- *Coordinate ten different state agencies*
- *Find new ways to involve the private sector*
- *Set up a state-level information system*
- *Allocate Title III displaced worker funds*
- *Decide how to use the 8% state set-aside funds.*

Research on the impact and effectiveness of the new policies put in place by the JTPA is limited. To date, only one systematic statewide study has been completed: *Job Training Under the New Federalism* by Orfield and Slessarev. This study examined the statewide administration of JTPA in Illinois, and drew comparisons with previous CETA programs. National studies have included a study of JTPA implementation during the transition year from CETA, *An Independent Sector Assessment of the Job Training*

Partnership Act (Walker, Feldstein, Solow, 1985), and A Second Chance: Training for Jobs (Levitan, Gallo, 1988). The findings of these studies identify many issues and reach some conclusions that may prove useful in guiding policy in California. However, since states are given considerable autonomy under JTPA, the applicability of findings from other states and national studies to California is limited.

Accordingly, the Council saw that it was time to assess the impact of JTPA in California, and the work of the SJTCC. The SJTCC has been guiding the implementation of the JTPA in California for over three years. This provides a sufficient period of time to make a valid assessment of how the system has evolved, the impact of specific policies, and the roles various agencies have assumed within the system.

To achieve this end, the Council, through the Employment Development Department, issued a Request for Proposal (RFP) in July, 1987. The purpose of the RFP was to obtain a contractor to provide answers to the following questions:

1. What role has the Council taken in its first three years of operation? What role should the Council take in the future?
2. To what degree has the Council been able to involve the private sector in public job training in California? What benefits do current JTPA programs offer private employers? What barriers still exist to their participation?
3. To what degree has the Council been able to coordinate public job training, economic development, and social service programs at the state level? At the local level?

Arthur Young, with Training Research Corporation as its major subcontractor, was selected to conduct the study. The contract was approved and work began on October 23, 1987.

B. STUDY OBJECTIVES

To provide answers to the Council's three research questions, the objectives of this study were established as follows:

- To analyze the organization structure, role, and administrative policies of the Council in implementing the JTPA
- To determine the effects and/or benefits of SJTCC policies and practices on:
    - private sector involvement in the JTPA
    - local PICs, SDAs, and other employment and training programs
    - economic development
    - overall program performance
- To assess the organization and functional interrelationships of the many different players in the JTPA and related programs, including the identification of ways to improve coordination, efficiency, and effectiveness
- To determine how the JTPA impact varies from earlier employment and training programs
- To define specific effects on, or needs of the private sector as related to JTPA implementation
- To develop strategic and tactical recommendations for improving Council performance and effectiveness in carrying out the mandates of the JTPA
- To analyze the implications of demographic trends in California on Council policy and strategy.

C. STUDY ACTIVITIES

We devised a three-phased study design in which each phase focused on one of the three levels of employment and training program administration: Level 1 was the state level which included the Council and other state agencies; Level 2 was the local private Industry Councils (PICs) and Service Delivery Area (SDA) agencies; and Level 3 was the local public and private contractor agencies providing direct employment and training services. Crossing all three levels is the fourth constituency, the business community and the employers that hire JTPA trainees.

Our first phase consisted of state level research activities, which included:

- *Conducting interviews with Council members and Council staff*
- *Reviewing Council agenda packets and other documents*
- *Developing a list of policy initiative areas*
- *Obtaining Council members' and staff's ranking of the relative priorities among the list of initiatives*
- *Conducting interviews with members of other state agencies*
- *Development of a preliminary profile of the employment preparation system in California*
- *Reviewing relevant literature regarding JTPA and other employment training programs.*

Our findings and observations from these activities comprised the major portion of the first progress report.

The second study phase involved analysis of local programs and programs. The second study phase included activities such as:

- *Conducting on-site visits at a sample of ten SDAs*
- *Surveying the SJTCCs in the other 49 states*
- *Conducting interim data analyses.*

The findings from these activities were presented in the second progress report.

In the third phase, we completed our data collection and formulated our final findings and recommendations. The third study phase included the following activities:

- *Collecting data on-site at all SDAs*
- *Visiting SJTCCs in Florida, Illinois, Massachusetts, and New Jersey*
- *Surveying employers of JTPA participants*
- *Conducting final data analyses.*

This final report documents all study activities and findings and includes our recommendations. The report is organized into the following sections:

I. Introduction
II. Literature Review
III. State Level Activities
IV. Local JTPA Programs
V. Private Sector Survey
VI. Survey of Job Training Coordinating Councils in Other States
VII. Trends in California's JTPA Programs
VIII. California 2000
IX. Findings and Recommendations
X. Bibliography
XI. Glossary of Terms.

II. LITERATURE REVIEW

A review of job training literature was conducted to help define the general environment within which the study of California's State Job Training Coordinating Council took place. The results of this review are discussed under the following subsection headings:

- *History of Federal Manpower Programs*
- *The Job Training Partnership Act*
- *Private Sector Involvement at the Local Level in Publicly Supported Job Training Programs*
- *Research on SJTCCs Nationwide*
- *Local Control and State Policy*
- *Research on Competition and Coordination Among Training Agencies*
- *Relationships Between Public Job Training and Economic Development.*

A. HISTORY OF FEDERAL MANPOWER PROGRAMS

The Job Training Partnership Act (JTPA) became law in October 1982 and went into full implementation in October, 1983 following a one-year transition period from the Comprehensive Employment and Training Act (CETA), its predecessor legislation. The JTPA represents a departure from CETA and other federal employment programs in that it gives the private sector a statutory role in designing job training services for youth and adult participants who are economically disadvantaged and face serious barriers to employment. Unlike CETA, which relied heavily on public sector employment, JTPA is designed to train and place individuals in private sector jobs.

JTPA is not the first manpower program that has looked to the private sector to train and hire the unemployed. Since 1961, when federal interest in manpower policy rose sharply in response to high unemployment rates and the threat of widespread job automation, the federal government has promoted several programs designed to enlist business in helping solve such problems. A review of these programs, however, points to the challenge facing the SJTCC in attracting and sustaining the private sector's interest and involvement in achieving manpower goals.

1. EARLY PROGRAMS: 1961-1967

The 1962 Area Redevelopment Act (ARA) hoped to attract business to chronically depressed industrial and rural areas with offers of financial incentives. The ARA's impact, however, was judged to be negligible (Becker, Haber, and Levitan, 1964) and it was quickly overshadowed by the Manpower Development and Training Act (MDTA) of 1962, which was not restricted to depressed areas.

Targeted initially to displaced workers, President Johnson's "War on Poverty" turned MDTA's focus to disadvantaged populations--mostly inner-city minorities who faced unusually high levels of joblessness even during relatively good times. MDTA offered both institutional or classroom training conducted in vocational education schools and on-the-job training (OJT), whereby employers were paid a small subsidy to train individuals at the workplace. Research (Levitan, Mangum, and Taggart, 1970; Nemore & Mangum, 1969; Piore, 1969) showed that MDTA was minimally effective and that it typically did not help the very types of people for which it was targeted.

Dissatisfied with MDTA's lack of success, the federal government initiated several more programs that were designed to facilitate the placement of the disadvantaged in OJT positions (e.g., the Concentrated Employment Program, the MA-1 and MA-2 Program, and the President's Test Program), but none proved any more effective in placing clients with private employers (Nemore & Mangum, 1969).

2. THE JOBS PROGRAM

It was not until 1968, when the Johnson Administration started the Job Opportunities in the Business Sector (JOBS) program administered by the National Alliance of Business (NAB), that the government made its most significant attempt to involve the private sector in job training policy. Under the JOBS program, business would hire and train disadvantaged workers under either a contract component, which would reimburse employers for expenses, or under a voluntary component, which involved no subsidies. Although, the program resulted in many exemplary private sector efforts, the overall impact was difficult to determine because of conflicting information on hires and job retention, and because of tight labor market conditions that operated during the program's first year (Levitan, Mangum and Taggart, 1970). The 1970 recession, however, completely diminished employer interest as few firms could open up OJT slots while laying off existing workers.

3. COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

The next phase of federal manpower policy was embodied in the 1973 Comprehensive Employment and Training Act (CETA), which transferred authority over manpower programs from federal administration to local planning councils called "prime sponsors." Under prime sponsors, private sector participation declined sharply as planning councils were dominated by local government and community-based organizations.

Amid severe criticism of CETA's ineffectiveness and large budget expenditures (at times exceeding $9 billion annually), attention in the late 70's once again focused on directly linking the private sector to job training policy. As a result, when Congress reauthorized CETA in 1978, it initialed the Private Sector Initiative Plan, which established Private Industry Councils (PICs), on the assumption that business could make more effective use of the training programs and the massive sums of money available through CETA.

Evidence on the effectiveness of PICs under CETA is conclusive. The NAB (1982) pointed out that in several cases PICs had a better-than-average rate of placement, but the National Council on Employment Policy (1981) concluded that the PICs were no more successful than the prime sponsors in selling programs to business. Similarly, Orfield and Slessarev (1986) report that there was no consensus on the effectiveness of PICs during the debates on the JTPA in Congress and in the joint hearings prior to the development of the JTPA.

B. THE JOB TRAINING PARTNERSHIP ACT

A pilot program under CETA, the PICs became the centerpiece of manpower policy under the Job Training Partnership Act, which was enacted by the Reagan Administration in 1982. Under JTPA, the CETA prime sponsor system was replaced by business-dominated PICs, which now had the authority to administer employment and training programs, in partnership with elected officials at the local level. Responsibility for oversight and policy direction, which had previously been performed at the federal level, was now switched to the states. Further, emphasis was placed on coordination between job training, employment services, vocational education, and related state and locally administered services (Westat, 1985).

In addition to the foregoing administrative changes in the nation's employment and training program, the Act changed things in other important ways as well (National Alliance of Business, 1986a; Westat, Inc., 1985). For example, the amount of federal funds available under JTPA was a fraction of those allocated under CETA: $3.5 billion for JTPA in FY 1984 compared to a CETA high of $9.5 billion. Administrative cost limits, likewise, were lowered under the JTPA -- from 18 percent to 15 percent. Public sector employment, which accounted for the bulk of funds spent under CETA, was eliminated completely. Thourgh not formally mandated by the JTPA, from the beginning emphasis was on short-term training and employment services that lead directly to employment. To that end, JTPA allocated 70 percent of its funds for training, compared to CETA's 18 percent. Stipends were no longer paid to participants, and support services such as child care and transportation were reduced drastically. A new program (Title III) was implemented to provide employment services to dislocated workers in response to the increased structural dislocation in the labor market. Finally, JTPA established specific performance criteria to assess program effectiveness, whereas none existed under CETA programs.

Research on the impact and effectiveness of the new policies put in place by JTPA is limited because the Act is relatively new. The studies identified below, however, offer some preliminary assessments. They identify many issues and reach some tentative conclusions that may prove useful in guiding policy in California. But since states are given considerable autonomy under JTPA, the applicability of findings from studies such as the ones below to California may be limited.

In the only systematic statewide study that we are aware of, Orfield and Slessarev (1986) examined the statewide administration of JTPA in Illinois and drew comparisons with previous CETA programs. The authors concluded that JTPA programs have forced administrators to seek more private sector involvement, and place more emphasis on program outcomes than did CETA administrators. JTPA programs in Illinois have been successful in working out coordination agreements between state agencies on some issues. In addition, JTPA emphasis on eligibility requirements and low costs has kept its programs out of the political and financial controversy that surround CETA's public sector employment and participant stipends.

On the other hand, however, the authors state that under JTPA the mechanisms to help unemployed people have been directed more towards minimizing costs rather than toward helping those most in need. The JTPA's reduced budget and its performance standards have strongly encouraged program operators to "cream"—select participants with the highest potential for successful termination regardless of level of need. Furthermore, reduced resources and the lowered cap on administrative expenses have resulted in a system that is unable to evaluate the effect of its own actions.

While Orfield and Slessarev studied the JTPA in Illinois, Walker, et. al. (1985) conducted a study in 15 states and 25 Service Delivery Areas' (SDAs) implementation of JTPA during the transition year from CETA. They pointed out that JTPA "placement rates" in the first nine months of operation and "costs-per-placement" during that same period exceeded expectations as outlined in the federal standards. These results, they say, were widely viewed within JTPA circles as indications of JTPA's early success. In addition, they concluded that there were modest increases in coordinating JTPA programs with other state agencies.

The authors report, however, that other aspects of initial performances were not so encouraging. For example, 80 percent of the SDAs did not believe that the Act's provisions or its level of funding encouraged serving the most-in-need. Consequently, 75 percent of the respondents reported "substantial screening by service deliverers to enroll those eligibles who were most job ready" (p.IV). The study further reports that the SDAs fell short of serving their youth and high school dropout targets but exceeded their goals for enrolling welfare participants.

In a Department of Labor-funded study of the implementation of the JTPA in a randomly selected sample of 20 states and 40 SDAs, Westat (1985) concluded that the Act appears successful in achieving its goals and state control and establishing public-private partnerships. These goals have led to a cost efficient training and placement system, which has reduced attention given to client needs, support services, and intensive skills training.

Against charges of creaming, the study concludes that after comparing the characteristics of the JTPA eligible population with JTPA participants during the transition year from CETA, a complex selection process exists because the program is job-placement driven but "data do not support any simplistic notion of creaming. People with serious labor market difficulties...dominate the JTPA participant group" (p. 5.9).

In corroborating this last finding, the National Commission on Employment Policy (1987) reported that JTPA is serving the economically disadvantaged and is placing the poor in jobs in accordance with its mandate. The Commission concluded that:

> the program is making a significant difference in the lives of individuals who have serious labor market difficulties and who need help in finding employment. (p. 117)

At the same time, the report acknowledges that JTPA is not a program that can help certain kinds of people who need a personal level of attention that is not possible under JTPA given its funding level and performance standards. Overall, the report concludes that JTPA is working well, meeting its legislative mandates, and has successfully established vigorous public-private partnerships.

Similarly, in a nationwide survey (1986) of PIC chairs and SDA administrators, the National Alliance of Business (NAB) concluded that the JTPA is working well. Fifty-four percent of those interviewed said that the JTPA laws should remain unchanged. The single change most frequently mentioned by their respondents applied to strengthening the local partnership. The NAB cited statistics from the Department of Labor which showed that over two-thirds of adult participants in 1984 JTPA programs obtained employment, and 62 percent of all youth in the same year were terminated from JTPA programs with "positive results".

In two more recent reports, JTPA does not fare as well. In an audit of JTPA participant training and services, based on data from 58 SDAs, the Department of Labor's Office of Inspector General (OIG) reports (1988) the program is not targeting the hard-to-serve. About 60 percent of the participants have a high school education or better and the majority had prior work experience and had not been on public assistance or unemployment insurance. Further, the report states, JTPA's rates of job retention, increased earnings, and reduced welfare dependency have not been encouraging. The report concludes that JTPA's performance standards which emphasizes job placement has resulted in a program that has not served the most needy.

Lastly, in a comprehensive assessment of all of JTPA's five components, Levitan and Gallo (1988) raise several concerns about the Act. In short, the authors state that the low-cost, performance-driven JTPA has made creaming a common practice as service providers have to recruit the most qualified individual to guarantee their success because business in turn normally hires the most qualified individuals.

Moreover, because there is limited program monitoring by federal, state, and local officials, the authors suggest that JTPA's high performance rating is exaggerated because of abuses in reporting, such as not officially enrolling individuals into JTPA until training was underway to avoid early dropouts.

In addition, reduced JTPA funding has led to an emphasis on short-term training and job search assistance, which produces short-term benefits at the expense of utilizing classroom training, which has a proven track record for being cost effective by enhancing long-term employability.

C. PRIVATE SECTOR INVOLVEMENT AT THE LOCAL LEVEL IN PUBLICLY SUPPORTED JOB TRAINING PROGRAMS

Because business involvement both on PICs and in the hiring and training participants is the cornerstone of the JTPA, an assessment of private sector interest in publicly supported job training programs becomes a critical task. Evidence about business participation in JTPA is limited as the program is relatively new. Nevertheless, the studies reviewed below have made some preliminary assessments.

In its survey of PIC chairs, the NAB (1985) found that business turnover on local PICs was low (e.g., of the 14 business members serving on the average PIC, four leave each year) and finding replacements was not difficult. It found that most business members were satisfied with their role and level of decision making, and that the level of business involvement in PICs had been sustained or had increased since 1983. Furthermore, it reported that two-thirds of the local program operators surveyed had received donations from the business community, including money, equipment, office classroom space, and loaned personnel. About half of the PIC chairs either trained or hired JTPA participants; the ones who did not cite having no job openings or no appropriate jobs for JTPA clients. The NAB concluded that business involvement has a positive impact on programs, leading to better and higher-paying jobs for participants.

Westat's report (1985) of the JTPA in 20 states and 40 SDAs concluded that there had been a steady rise in the influence of the private-sector members on PICs. Over half of the PICs surveyed responded that business members were either "dominant or a growing influence" on their PICs.

Similarly, the Government Accounting Office's (GAO's) study (1985) reported that 69 percent of private-sector members were owners, presidents, vice presidents, or chairpersons in their businesses, indicating involvement from a high level of local business officials.

While generally corroborating the increased level of private sector support of PICs, Walker, et. al. (1985) found indications of private sector dissatisfaction with its role in the JTPA, leading to a question of whether the initial high level of PIC interest or involvement would continue. Common complaints were voiced about the excessive time required for meetings, and the burdensome administrative requirements posed by state oversight agencies. The study indicated that a quarter of the SDAs surveyed reported declining private sector attendance and high use of substitutes for board members. The members' inability to make the necessary time commitments and frustration with administrative procedures was cited most often as the explanation for shifts in PIC membership.

In their statewide study of JTPA, Orfield and Slessarev (1986) report the contradictory perceptions of service providers about private sector participation. When asked what they saw as the strength of JTPA, the most common response was the increased level of private sector involvement. But an equal number of providers saw private sector involvement as JTPA's biggest weakness citing business' lack of technical knowledge about programs, its lack of cooperation in planning and implementing programs, and its unwillingness to provide training slots.

The National Commission for Employment Policy (1987), while acknowledging the various perceptions of PIC private sector involvement, states that early concerns about the commitment of business members have generally proven unfounded and private sector members continue to gain influence in guiding local policy.

Turning to private employers who are not PIC members, Smith (1985) conducted a study of Alameda County employers about their attitudes and perceptions of JTPA. He found that most employers had never heard of JTPA or knew no more about it than its name. Additionally, 57 percent of employers had never hired from federal employment programs. Employers typically relied on unsolicited walk-ins and on referrals by current employees to fill job openings. Furthermore, most employers expressed a general distrust of public jobs programs and believed that the costs of participating often outweighed the benefits.

Against this unclear picture of business involvement in the JTPA, the SJTCC is charged with the responsibility of increasing private sector involvement at the state and local level in a program that places the role of business at the foundation of its success. Under any reasonable and objective interpretation of the history of private sector involvement, the Council's task is not an easy one.

D. RESEARCH ON SJTCCs NATIONWIDE

While the purpose of this study is to assess the impact of JTPA in California and the work of the California Council, a few studies to date have provided preliminary conclusions on the work of SJTCCs across the nation.

For example, in a 50-state phone survey of the JTPA administrators and SJTCC directors assessing the organization, composition, staffing, and operation of SJTCCs in the JTPA's first year for the National Commission for Employment Policy, Dement (1985) reported that most Councils were playing significant roles in JTPA decision making. Attendance patterns by Council members were strong in most states (more so among private sector members than representatives of public agencies or local elected officials), and the level of business participation equally strong, a finding also confirmed by a Government Accounting Office study (1985) of JTPA's initial implementation. Dement further reported that most of the nation's governors were involved in the implementation of the ACT and took an active interest in SJTCC affairs. The level of legislative involvement, however, was mixed. Coordination activities and JTPA-specific operational issues headed the list of Council priorities. Respondents reported that council relationships with local PICs and SDAs were consistently good. Councils in six states were charged by their governors with the responsibility to develop employment and training initiatives beyond that of JTPA. The majority of councils were involved in activities to enhance JTPA coordination with the employment service and with public assistance programs, but limited progress was reported in coordinating JTPA and education.

In their 15-state study of JTPA, Walker, et. al. (1985) report that the SJTCCs, when compared to state councils under CETA, tended to be larger and had more private sector members from higher levels of management. Involvement in councils by private sector members, however, was mixed. Only one (Florida) of the 15 states surveyed reported an increase in private sector involvement after the first year, whereas councils in six of the 15 states reported decreased involvement over time by private sector members. One possible explanation offered by the authors is that the issues and concerns of the states do not appear to support a high-level of private sector activity. For example, after having established initial, broad policy directions, the primary state functions relating to JTPA are in activities such as coordination, technical assistance, monitoring, and oversight--activities that tend to be dominated by and of interest to public-sector members. The report concludes that a decreased role by private-sector members seems likely.

In a survey of PIC chairs and SDA administrators, the NAB (1986) found that most PIC chairs, when asked their perceptions of the effectiveness of the state councils, thought they were either "somewhat effective" (46 percent) or "very effective" (14 percent). However, over a quarter of the chairs said the council had "no impact at all". Responses from SDA administrators were more critical, with slightly less than a quarter saying the council had no impact and 16 percent reporting the council "caused problems" for them.

The 20-state Westat Study (1985) indicated that the state councils generally played a predominantly advisory role in the first year of the JTPA's operation, simply because the program was so new. Problems of high turnover and poor attendance on councils were evidenced in the Act's first year of operation but council membership stabilized over time. Private sector participation usually equaled or exceeded public sector members' participation rates with time. One explanation given by the study for this was that private sector members' understanding of the program caught up with that of the public sector representatives.

Most councils implemented formal procedures that allowed SDA directors and PIC associations to get involved in council business. Westat also found that many councils played a key role in improving coordination of employment and training, economic development, and education activities, and several councils were given broader responsibilities in the employment and training system beyond JTPA.

A more recent report by the National Commission for Employment Policy (1987), based on an analysis of available information (which included some of the studies reported here) concluded that:

> "...most State Councils have gone far beyond the early administrative concerns that have prevailed during JTPA's initial start-up period...most Councils have become far more sophisticated and knowledgeable about programmatic and policy issues and are taking on new responsibilities with each passing year. (p. 35)"

While acknowledging a problem of turnover among private-sector members, the report points out that this issue is less a problem than it first was and that many private-sector members have put in long hours on committees and task forces. In general, the councils have become more influential in terms of making JTPA policy decisions.

In their review of JTPA, Levitan and Gallo (1988) state that councils in general exercise little influence over state JTPA policy despite their authorized wide-ranging responsibilities. Typically, the councils reinforce state JTPA agency policy rather than acting as an independent force.

E. LOCAL CONTROL AND STATE POLICY

JTPA emphasizes local control of programs. Yet state councils are responsible for setting performance standards and policy that must apply to all the locally-administered service delivery areas. In California, this involves 51 SDAs which are extremely diverse, ranging from depressed inner cities, to booming high-tech belts, to rural agricultural areas. The relationship between state officials and local areas is an important link in the JTPA partnership. The following studies and reports have looked at this issue.

Orfield and Slessarev (1986) examined how state administration of JTPA differed from federal administration in the view of local SDA managers. Interestingly, the study reported that Illinois SDA managers found state regulation more burdensome and cumbersome than federal administration. The Illinois study also found that the impact of state regulation varied significantly from one SDA to another as a result of local conditions.

The NAB (1986) reported that the majority of PIC chairs and SDA administrators it surveyed rated the performance of the state administrative agency as satisfactory, but SDA administrators were slightly less positive than PIC chairs. Among respondents who were dissatisfied with the performance of the state, the most common complaint was that the state "imposes too much control" or is "overly restrictive".

Similar findings are reported by Walker, et.al. (1985) where the majority of SDAs sampled stated that administration requirements were more time-consuming than under CETA. However, in terms of state technical assistance, more SDAs reported receiving satisfactory state assistance on specific issues than in an earlier analysis done by the some authors.

Westat (1985) concluded that the relationship between local SDAs and the state was positive and reasonably cooperative. But it pointed out that sustaining positive relations and improving weak ones will become more difficult as JTPA matures and becomes more complicated. "Good intention alone will not be enough to effect the kind of job training partnership envisioned under the Act".

F. RESEARCH ON COMPETITION AND COORDINATION AMONG TRAINING AGENCIES

Coordination of JTPA policies and activities with similar programs of other public agencies is a principal goal of the Act and a major challenge facing SJTCCS. JTPA promotes coordination by requiring councils to prepare a coordination and services plan which establishes criteria for coordinating state and local employment and training programs, and to evaluate the plans and activities of the SDA and the employment service agency to make certain they meet the coordination criteria.

JTPA further encourages coordination through funding set-asides: eight percent for education, three percent for older workers, and six percent for incentives and technical assistance. In addition, amendments to the Wagner-Peyser Act and to the Social Security Act require coordination between JTPA and the employment service and welfare departments, respectively.

The following three recent studies report on how JTPA activities are being coordinated with other state employment and training programs.

- A report by the National Commission for Employment Policy (1987) found that while most states are in agreement with the intent of the JTPA to coordinate services with other agencies, state officials have placed relatively low priority on innovative coordination activities. The report comments that:

  > In sum, the verdict on the extent of coordination between JTPA and other public agencies or programs at the state level is certainly not clear cut. Some states and Governors have made this a central theme of their activity... Others have merely followed the mandates of the legislation in "pro forma" fashion.

- A NAB (1987) study on JTPA operations at the local level found strong belief in coordination, but few actual policies in place that support it, citing that "administrators are all too often the first to admit that collaborating with other programs has been an elusive goal for them".

- Levitan and Gallo (1988), finding little reason to believe that coordination is better under JTPA, suggest several reasons why:
    - *JTPA administrators have no control over the administration of other social programs*
    - *The goals, participants, and operations of many social programs differ from JTPA*
    - *JTPA coordination provisions are too ambiguous to ensure results*
    - *Reduced funding of almost all social programs has left few resources to develop coordination linkages.*

While the comments above provide a picture of the overall effectiveness of coordination between JTPA and other programs, these next sources provide evidence into how well JTPA is coordinating its activities with the employment service and welfare departments, as mandated by the amendments discussed previously, and with vocational education, as mandated by the Carl D. Perkins Vocational Education Act of 1984.

1. EMPLOYMENT SERVICE

While the NAB (1987) characterizes the employment service-JTPA relationship as generally positive, Levitan and Gallo (1988) saw a general lack of interest by most states and local officials in coordinating the two programs. They cited several reasons:

- *The inability of the bureaucratic employment service to change*
- *A difference in goals (i.e., JTPA's mission is training and the employment service's mission is direct-job placement)*
- *The fact that coordination between the two agencies is not mandated*
- *JTPA's strict performance standards discourage coordination.*

Similar barriers are cited by Macro Systems (1985) in an assessment of the relationships between the two programs in 31 SDAs. While concluding that coordination was improved over CETA days, certain countervailing factors, such as long-time agency rivalry, conflicting goals, JTPA performance contracting, limited authority of the state over local SDAs, and JTPA funding cuts limited coordination in most of the SDAs studies.

2. WELFARE

Coordination appears least effective between JTPA and welfare agencies (Levitan and Gallo, 1988; NAB, 1987). This bodes a challenge for California, which is in the early implementation phases of its Greater Avenues for Independence (GAIN), a statewide employment initiative designed to reduce welfare dependency of recipients of Aid to Families with Dependent Children (AFDC).

GAIN gives local government significant control over design and operation of the program. Although GAIN will be administered by county welfare departments, the development of county plans and the delivery of services will require coordination and cooperation between the local welfare and JTPA systems, as well as public schools and colleges and public and private community agencies. Statewide coordination of GAIN rests heavily with the Council.

When fully implemented statewide in 1990, the Deukmejian Administration initially expected that GAIN would serve between 170,000 and 190,000 persons annually, at a projected annual cost of $310 million, which consisted of $160 million in new funds and $140 million in redirected funds from existing state programs (Senate Office of Research, 1985). As counties have implemented GAIN, more state funds have been appropriated to the program. However, current constitutional limits on state spending and the higher-than-expected educational needs of GAIN participants have resulted in new estimates on budget and participant numbers (Los Angeles Times, January 12, 1988).

A preliminary assessment of early GAIN planning and implementation (Manpower Demonstration Research Corporation, 1987) indicates that there has been considerable progress in obtaining broad support for GAIN, in combining existing and new resources to finance GAIN, and in building the multi-agency service delivery system that is necessary for GAIN's success. How this positive beginning holds up will be determined by future evaluations. Given the magnitude of GAIN's charge, the Council faces a formidable challenge in coordinating the components of the program.

3. VOCATIONAL EDUCATION

As previously mentioned, coordination between JTPA and vocational education is encouraged by the eight percent set-aside of Title IIA and by the Carl Perkins Vocational Education Act (VEA). This Act was signed into law in October, 1984, authorizing federal funding for vocational education through 1989. In FY 1984-85, $27.5 million of VEA funds went to California.

Several provisions of the VEA are important to the JTPA systems. For example, VEA targets and provides funds for many of the same groups that are also JTPA-eligible (e.g., disadvantaged individuals and adults in need of retraining, to name two). In addition, VEA contains extensive coordination requirements toward joint planning and information exchange between vocational education and the JTPA programs. This includes strengthening the linkage between vocational education and private sector employers. In short, the law creates new mechanisms at the national, state, and local levels to increase coordination between two systems.

The state job training coordinating councils bear the responsibility to ensure that programs operated under these separate Acts are coordinated and nonduplicative. To that end, the VEA mandates direct council involvement. For example, a member of the council serves also as a member on the state council on vocational education. In addition, the planning cycles between the two systems are synchronized and joint planning between vocational education and the JTPA takes place. The council reviews plans involving the use of vocational education funds and makes recommended changes.

The studies below look at the general relationships between JTPA and education.

According to NAB (1987), the relationship between JTPA and vocational education was the most positive inter-agency relationship of all the JTPA linkages investigated.

Almost 95 percent of the SDAs surveyed reported having a financial agreement with vocation education. On the other hand, the state-level coordination provisions of the VEA had limited impact as 58 percent of the SDA administrators said they had no effect and 17 percent reported a minimal impact.

In an assessment of VEA-JTPA planning and coordination, the National Center for Research in Vocational Education (1987) concluded that, while JTPA clients are served by public vocational programs, the situation is more the result of tradition and not joint planning. The eight percent set-aside of IIA funds promoting coordination, however, had improved communication and encouraged joint effort.

This same report, and one by the California State Council on Vocation Education (1986), identify factors that discourage coordination between the two systems. Among others, they include perceptions of the different missions of JTPA and vocational education (e.g., JTPA places emphasis on placement and cost-per-placement outcomes, while educators often place more emphasis on meeting developmental needs of the clients). Similarly, JTPA is performance driven, which in the eyes of many educators precludes experimentation and innovation since program costs are only covered for successful completers. JTPA officials hold the opposite view and criticize education's fixed salary costs and insistence on cost reimbursement contracts, which they say is counterproductive to an effective job training program.

The foregoing discussion on coordination among training agencies suggests that while coordinating delivery of employment and training services is a desirable end, too often the practice results in limited application or, simply, in unsuccessful efforts.

In California, the task of coordinating programs, is a formidable one facing the Council as evidenced by the structure of the employment and training system. In 1983 in Training Tomorrow's Workers, the Assembly Office of Research found that California was spending over a billion dollars a year to prepare people for work. After reviewing 17 employment preparation programs, which the state authorized and administered, the study concluded that:

> ". . .California's present employment preparation and employment programs and activities do not form a cohesive system which meets employers' demands for a skilled workforce and employees' demands for job training."

Certainly part of the problem is that many programs came into existence to serve a particular population, i.e., the disabled, the disadvantaged, veterans and/or youthful offenders. The product of these programs, however, is a plethora of agencies which often duplicate each other's efforts. The result also creates a situation in which many of the agencies compete with each other for resources and funds at the federal, state, and local levels.

A case in point is the Employment Training Panel (ETP). ETP was designed to use Unemployment Insurance (UI) funds to retrain and place UI recipients or potentially displaced workers. ETP's performance contracting policy has attracted national attention. Preliminary research (Moore, 1986) indicates that ETP programs have effectively increased earnings and reduced the unemployment among its participants. However, the relationship of ETP to the JTPA Title III Dislocated Workers Programs remains unclear. The existence of two programs designed to serve similar populations is typical of the complexities found in the current system.

G. RELATIONSHIPS BETWEEN PUBLIC JOB TRAINING AND ECONOMIC DEVELOPMENT

Change in federal and state job training policy did not occur in a vacuum. While the JTPA was replacing CETA, a new emphasis on the importance of economic development for the state and the nation was emerging. A variety of publicly-sponsored economic development programs are active now at the state and local level. They include enterprise zones, state, and local industrial development bonds, local redevelopment areas, special benefit assessment districts, and a host of other initiatives.

One purpose of all these economic development activities is to create or protect jobs. Given this focus, it is natural to assume that there would be close relationships between state job training and employment programs and economic development efforts. Evidence shows that while some programs, such as California's Employment Training Panel, attempt to link their programs to economic development, such a linkage is not always present. The following studies indicate the challenge facing the Council in developing a policy for linking job training and economic development.

Research sponsored by the Senate Office of Research (Moore, et. al., 1985) found that only 40 percent of locally-sponsored commercial revitalization projects were linked with local JTPA programs. Only 17 percent of the programs made use of the targeted jobs tax credit, and only 25 percent of the projects set goals of hiring local residents.

In their field visits, Walker, et. al. (1985) found several exemplary efforts in linking economic development programs with job training, with strong leadership from private business or local government seen as the driving force. In general, however, in most SDAs the desired linkages had not yet produced significant activities or results, a finding also reported by a National Governor's Association survey (1985).

The NAB (1987) found that many JTPA programs had relatively little experience with economic development. When asked to explain the reason for lack of coordination between JTPA and economic development agencies, the most frequently cited reason given by PIC chairs and SDA administrators was that economic development officials were "disinterested" in making the linkage.

In their recent study of JTPA, Levitan and Gallo (1988) describe the linkages between the two operations as being more lip service than action. They state that a major obstacle for coordinating JTPA and economic development has been the divergent goals of the two programs.

III. STATE LEVEL ACTIVITIES

This section contains a discussion of our review of the Council's coordination activities at the state level. This review was important in order to define the policy concerns the Council has addressed over the years. However, before looking at the Council's policy initiatives, it is important to understand how the Council, as a body, is structured. Accordingly, the first part of this section is an overview of the makeup and structure of the California State Job Training Coordinating Council as established by law and Council by-laws. Following the overview will be a discussion of Council policy initiatives. Finally, we present the results of our survey of the perceptions of the Council held by other state entities.

In conducting the review of state-level coordination activities, our project staff:

- *Interviewed each Council member and key Council staff*
- *Held roundtable discussion meetings with both the Council and Council staff*
- *Interviewed staff of other state agencies that were identified as key stakeholders in JTPA*
- *Reviewed state documents and relevant laws.*

This section is organized as follows:

- *Overview of the SJTCC*
- *Council Policy Initiatives*
- *State Agency Interviews.*

A. OVERVIEW OF THE SJTCC

The California State Job Training Coordinating Council is structured according to federal and state law, and Council by-laws. The laws provide the framework of the Council by mandating the composition of its membership. Council by-laws establish committees and procedures for Council actions. Membership mandates for the Council are established by the federal Job Training Partnership Act, Section 122(a). The California Family Economic Security Act, Section 15036, expands upon federal law by defining more exactly the composition and duties of the Council. The result is a Council consisting of 32 total members, including:

- *Eleven private sector representatives*
- *Seven state government representatives*
- *Seven local government representatives*
- *Seven representatives of constituent groups.*

In addition, federal law requires that the Council chair be appointed by the Governor from a non-governmental group. All non-governmental members to the Council are appointed by the Governor.

Council by-laws establish that the seven state governmental members are:

- *A member of the Senate nominated by the Rules Committee*
- *A member of the Assembly nominated by the Assembly Speaker*
- *The Lieutenant Governor*
- *The Superintendent of Public Instruction*
- *The Secretary of Health and Welfare*
- *The Secretary of Business, Transportation, and Housing*
- *The Chancellor of the Community Colleges.*

State government members may delegate voting authority to designees of their choosing.

The Council currently has 28 active members. Of the four vacant seats, one represents local government and three represent the private sector.

As is discussed in Section II, "Literature Review", SJTCCs in other states have reported a high turnover rate for private sector members of their Councils. Several possible reasons for this are presented. To determine whether this was also the case in California we reviewed the rate of change among Council members in the four years since the Council's inception. Of the nine current private sector representatives, six have been on the Council since it began. Including the vacant seats, this implies a change rate of 45 percent among the private sector representatives. (The calculation is based on five seats changing among the 11 seats allocated, or 5/11).

The percentage of change among local government representatives has been even higher. Of the five active members, two have been with the Council since its beginning. Including the vacant seats, there has been 71 percent change among the local government representatives.

In contrast, the constituent representatives have remained relatively constant, with four of the six active members having been on the Council since 1983. One other member has been on the Council since 1984. Thus, the percentage change among constituent representatives was only 29 percent.

Since the state government representatives are specified, we did not analyze their rate of change. It is important to note, however, that most state government representatives do not attend Council meetings, but rely primarily on their designees.

The Council by-laws establish its internal structure. One of the most important articles in the by-laws is Article V which deals with committees. Major provisions of this article are:

- *Committees are charged with carrying out Council responsibilities*
- *Only Council members can vote on committees*
- *Committee appointments are the perogative of the Council chair*
- *The Council chair and vice-chair serve as ex-office parties to all Council committees.*

The full Council meets bi-monthly with committee meetings scheduled for the months in which the Council does not meet. The Council's committee structure has changed over the years. Our current understanding of the changing committee structure is shown in the following table.

Table 1
SJTCC COMMITTEE STRUCTURE
1983 - CURRENT

5/83	1/84	7/84	10/85	Current Structure
Ad hoc Committee	Discretionary Funds Planning Audit Evaluation and Oversight Operations Coordination	Executive Operations Coordination Planning PIC Liaison Public Relations Legislative	Executive Operations and Oversight Planning and Coordination Legislative Marketing and Liaison	Executive Operations and Oversight Youth Planning and Coordination Marketing and Liaison

A significant Council internal policy is the current one requiring committees to submit recommendations to the Executive Committee for approval prior to consideration of the recommendation by the full Council. This policy, together with the broad power of the Council chair, was cited by some members as a welcome development in the Council's evolution as a working body. However, other members felt that these same policies were detrimental to the full participation by all members in the business of the Council.

The Council is currently staffed by an Executive Director and eight professional staff. The Executive Director and the marketing staff member are appointees of the Governor. All other staff members are members of the state Civil Service System, and most are either on loan from or have previously worked in the Employment Development Department. In addition, there are two full-time and one part-time clerical staff, and one temporary intern.

Exhibit III-1, on the following page, portrays our analysis of the Council's role. We categorized the Council's relationships with other agencies into four types:

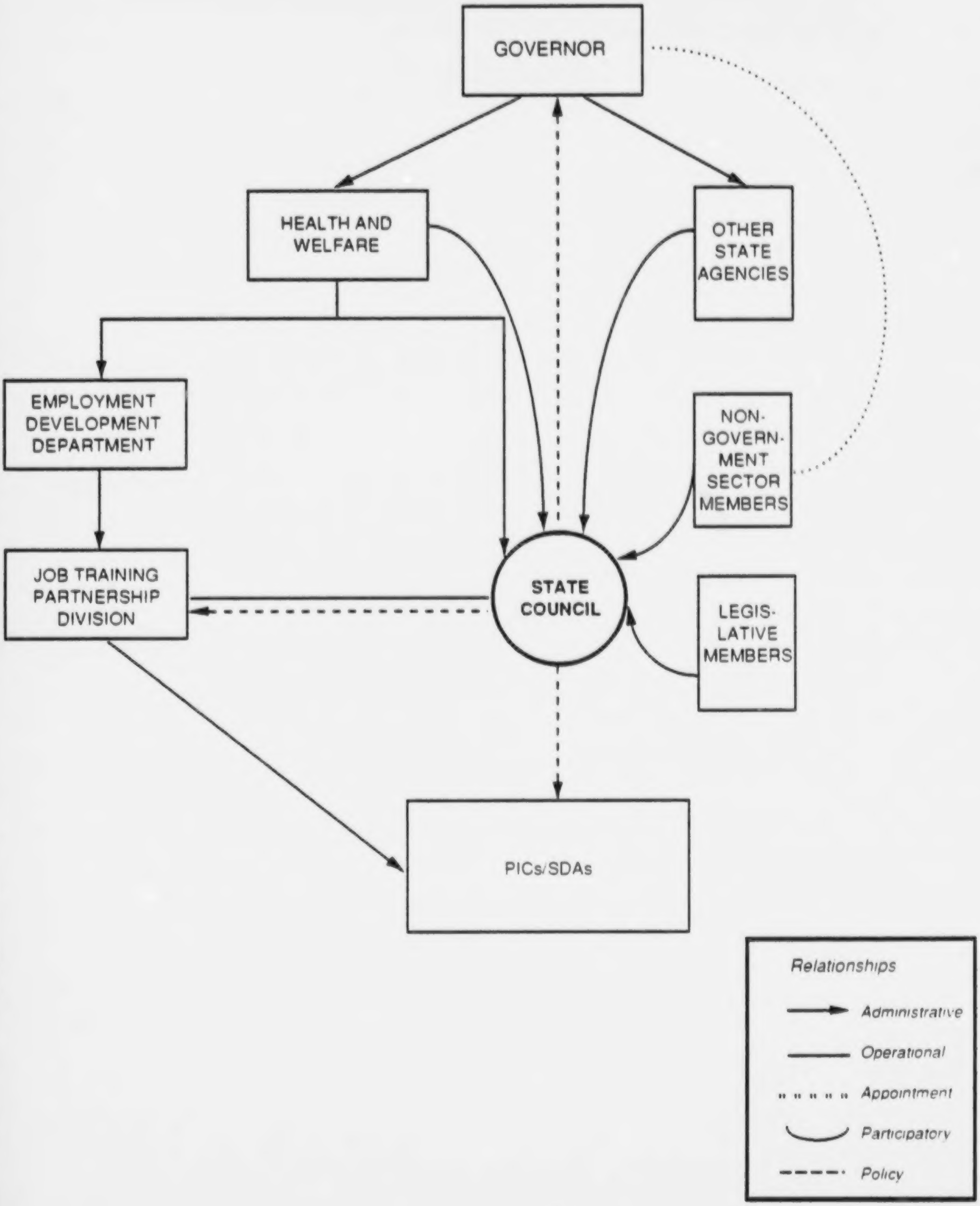
- ***Administrative** relationships, showing direct reporting relationships*
- ***Operational** relationships, in which the Council through its staff is directly involved in the implementation of Council policy*
- ***Appointment** relationships, through which the Governor appoints members to the Council*
- ***Participatory** relationships, which indicate the organizations whose participation as members of the Council is mandated by law*
- ***Policy** relationships which indicate the groups for which the Council makes or recommends policy.*

The Council's relationships are complex and multifaceted. In Exhibit III-1 we have illustrated the primary relationships indicated by our analysis. For instance, the Council has an operational relationship with various state agencies and departments in that these agencies administer JTPA monies. An example would be the State Department of Education which administers eight percent funds. The Council also has a policy relationship with these agencies in that it sets policy on how the monies will be spent. In addition, agencies can have a participatory relationship with the Council since participation on the Council is mandated by law for many agencies.

The exhibit clearly shows that the Council links a variety of organizations to the job preparation system. Business and labor are linked to the job preparation system through the Governor's appointees to the Council. In turn, these groups

EXHIBIT III-1

State Job Training Coordinating Council -- Schematic of Organizational Relationships


GOVERNOR
HEALTH AND WELFARE
OTHER STATE AGENCIES
EMPLOYMENT DEVELOPMENT DEPARTMENT
NON-GOVERN-MENT SECTOR MEMBERS
JOB TRAINING PARTNERSHIP DIVISION
STATE COUNCIL
LEGIS-LATIVE MEMBERS
PICs/SDAs
Relationships
Administrative
Operational
Appointment
Participatory
Policy

participate in the formulation of policy which is recommended to the Governor through the Council. Similarly, state agencies such as the Chancellor's Office of the community college system and members of the State Legislature are linked to the Council through participation.

Administratively a part of the Health and Welfare Agency, and technically separate from EDD, the Council is closely associated with EDD on a functional basis. Though neither the Council nor its executive director report to the EDD chain of command, Council offices are located at EDD Central Headquarters and the Council's primary operational link is with the Job Training Partnership Division (JTPD) of EDD, which implements policies set by the Council.

Finally, the Council has a direct policy relationship with the 51 local Private Industry Councils (PICs) and Service Delivery Areas (SDAs). The Council designates what areas will be SDAs and establishes policies for the operation of programs within the SDAs. The Council also provides a forum through which the PICs and SDAs can participate in the development of policy.

B. COUNCIL POLICY INITIATIVES

This section discusses our understanding of the Council's policy initiatives. This was a vital first step in that a clear understanding of the Council's policy goals was necessary to develop instruments to measure the Council's achievements. To develop an understanding of the Council's policies, initiatives and priorities, three sources of information were used:

- *Review of Council agenda packets*
- *Interviews with Council members*
- *Roundtable sessions with Council members.*

Findings from each of these sources are discussed below. We should note, however, a fourth fundamental source of information, i.e., Council staff. Staff has played a critical role in assisting the study by providing:

- *Resource and background material*
- *Assistance in setting up meetings*
- *Analysis of Council priorities as seen by staff*
- *The names and addresses of people and organizations.*

1. REVIEW OF COUNCIL AGENDAS

A comprehensive review of SJTCC agenda packets was completed at the study's inception. Our review included issues addressed by the Council from its inception, along with extracts or summations of each of the Governor's Coordination and Special Services Plans, as well as the Governor's goals and objectives for each year.

The objective of our review of Council agendas was to isolate and define Council policies. The working definition of a policy was an area where the Council took specific action. The action could be a statement of policy adopted by the Council, an initiative undertaken, or any official act endorsed by the Council as a body. We developed a list of individual Council initiatives which was divided into eight policy areas. The following is a summary of the list, as revised and added to in discussions with Council staff.

Communication and Coordination with PICs/SDAs

- *Creation of an advisory group of PIC chairs*
- *Reviewing policy initiatives with PICs and SDAs*
- *Council Chairman and Executive Director outreach through speaking engagements to PICs and SDAs.*

Coordination with GAIN

- *Coordination with DSS and other social service agencies at the state level*
- *Requirement that 50 percent of the 8% coordination money go to serve GAIN eligible participants*
- *Review of local GAIN plans for evidence of coordination*
- *Review of the state GAIN plan for evidence of coordination.*

Economic Development

- *Funding local economic development projects out of five percent administrative money*
- *Funding the Economic Adjustment Team in the Department of Commerce*
- *Funding technical assistance workshops around the state*
- *Requiring coordination with economic development in the Governor's Coordination and Special Services Plan.*

Labor Market Information

- *Labor supply data project [run through the California Occupational Information Coordinating Committee (COICC)]*
- *State and local labor market demand project [run through the Employment Development Department (EDD)].*

Marketing

- *Marketing workshops for PICs and SDAs*
- *Producing marketing materials for PICs and SDAs*
- *Producing the Partnership newsletter and marketing insert*
- *Assisting SDAs and PICs to reach the business and client communities through training and technical assistance.*

Performance Standards

- *Requirements that SDAs must exceed seven out of seven performance criteria to be eligible for six percent incentive awards.*

Statewide Planning and Coordination

- *Funding $250,000 to start planning and coordination efforts among vocational education, community colleges, and JTPA*
- *Completing Governor's Coordination and Special Services Plan*
- *Development of interagency agreements*
- *EDD cooperative agreements with SDAs*
- *PIC sign-off on local applications for eight percent and five percent monies.*

Youth

- *Establishment of the Youth Committee*
- *Sponsoring Tomorrow's Workers at Risk study*
- *Setting aside $1,000,000 in six percent money as an incentive to serve high risk youth*
- *Funding Youth Literacy RFP out of eight percent money.*

2. COUNCIL MEMBER INTERVIEWS

In order to better understand the views of the Council in establishing goals, we interviewed all current Council members. It is the members who provide the living record necessary to properly interpret the written record. The purpose of the interviews was:

- *To obtain Council members' views*
- *To develop a preliminary list of issues for the roundtable discussions held for the Council*
- *To provide each Council member with an opportunity for direct input at the study's inception.*

The interviews were held privately and were kept confidential so that members could speak freely on the issues. In order to maintain confidentiality, our findings below do not refer directly to any member. Instead, the interviews are discussed in aggregate.

The interviews were between one-half hour to one hour long. A standard interview guide was used to ensure that each member was asked the same questions. The interview questions covered the following areas:

- *Major policies, actions, initiatives undertaken by the Council to date*
- *Efforts by the Council to improve coordination with other state programs*

- *Major policy issues to be addressed in the coming year*
- *The overall role of the Council in coordinating job training in the state.*

In addition, each member was also asked to comment on any other areas of concern to him/her.

The Council members' responses to the questions were consolidated into a list of issues or concerns. These topics then were organized into related groups so that, for instance, all concerns raised about the Employment Training Panel were grouped together. We then tabulated the number of times each subject was mentioned. In our analysis, we assumed that the most important issues were those mentioned most often in response to the broad range of questions asked.

A summary of issues raised by Council members during their interviews is presented in **Exhibit III-2** on the following page. The exhibit indicates which issues were raised as post concerns of the Council, of major coordination efforts by the Council, or important concerns to be addressed in the future. It is interesting to note that the only issues falling in all three categories were communication/coordination with PICs, Youth and serving the numerous special constituencies of concern to the Council. It is also intersting to note that performance standards are raised only as a future issue. The following is a discussion of the issues raised.

Major Areas of Concern

The Council members' responses fell into five major areas of concern:

- *Communication and Coordination with PICs/SDAs*
- *Youth*
- *Statewide Planning and Coordination*
- *Economic Development*
- *Coordination with GAIN.*

EXHIBIT III-2

SUMMARY OF ISSUES RAISED IN COUNCIL MEMBERS' INTERVIEWS

	Past Concern	Coordination Effort	Future Concern
Most Frequently Mentioned Issues			
Communication and Coordination with PICs and SDAs	X	X	X
Youth	X	X	X
Statewide Planning and Coordination	X		
Coordination with the Employment Training Panel	X		
Coordination with the Employment Development Department		X	
Economic Development	X		
Coordination with GAIN		X	X
Less Frequently Mentioned Issues			
JTPA/Council Set-up	X		
Equitable distribution of funds	X		
Anticipated changes in Federal law and regulations			X
Older workers			X
Demographic changes	X		X
Limiting bureauracy	X		
Councils authority/role			X
Serving other or special constituencies	X	X	X
Private/public sector interaction			X
Performance standards/incentives			X

It is significant that these are the same five areas which ranked highest in the subsequent Council roundtable meeting. The order of ranking is even roughly the same. The fact that the interviews and roundtable methodologies have validated each other was extremely useful in determining the focus of the study.

Issues involving the formation, guidance, support and advocacy of PICs/SDAs appear to be a prime concern of the Council. Issues involving PICs/SDAs were:

- *The most often mentioned by Council members*
- *The most often identified as being among the top three policy concerns of the past*
- *One of the most often identified major issues for the upcoming year.*

Although there is a clear consensus regarding the importance of issues concerning PICs/SDAs, there also are some major differences in outlooks on these issues. For instance, despite agreement that coordination with PICs/SDAs has been a major concern, Council members were equally divided between those who identify this area as:

- *Particularly successful*
- *Less than successful*
- *Needing improvement.*

One issue identified as a particular concern is the formation of new SDAs. Opinions differ as to what constitutes an SDA which is responsive to local needs yet is administratively and fiscally viable.

Youth was second only to PICs/SDAs in being identified as one of the top three policy areas of concern. It also was mentioned as a particularly successful effort by the Council, and was one of the areas mentioned most often as a major concern in the upcoming year. One issue of particular concern was the need to reach hard-to-serve youth. The general feeling among Council members is that although much has been done in the area of serving California's youth, much more remains to be done.

Statewide planning and coordination was the next most often mentioned top concern. It was also, by a wide margin, the issue most frequently mentioned as a major coordination effort. Once again, despite agreement that statewide planning and coordination has been a core concern in the past, opinions differ as to the Council's effectiveness in this area. This policy area was also mentioned most often both as being particularly successful and as less than successful.

Council members view the Governor's Coordination and Special Services Plan as a major accomplishment of the Council. The Interagency Agreements also were mentioned as a major statewide coordination achievement.

Despite the agreement on what has been accomplished, many Council members expressed concern about the failure of high level coordination to reach down to the local and program level. Concerns also were expressed about statewide coordination for special constituencies, such as youth or older workers. Individual programs such as ETP are also much on the mind of Council members as an area where more coordination is needed. Finally, coordination with all sectors of society, from labor to private enterprise, is mentioned as an area that needs improvement.

Economic development was an area identified as a major coordination effort and was one of the more frequently identified major issues of the past. Economic development is seen as key to the success of JTPA since the goal is not training for training's sake, but to help put people into jobs.

Coordination with GAIN was too new to have been mentioned as a top initiative of past years. However, it was frequently mentioned as a statewide coordination issue and is one of the issues identified as a major concern for upcoming years.

Less Frequently Mentioned Issues

A number of other issues were mentioned as being of significant concern to Council members. These issues were mentioned by many members, but usually in response to one particular area of questioning rather than broadly across the spectrum of questions. The most often mentioned of these are noted below:

- **JTPA/Council/SDA Set-up**

  This was a major area of concern in the past. Having gone through the experience of establishing JTPA as a reality, Council members felt justified in taking some pride in this accomplishment.

- **Equitable Distribution of JTPA Funds**

  This area was frequently identified as a top concern in the past. Specific issues mentioned included fair geographic and demographic distribution of JTPA monies.

- **Coordination with the Employment Training Panel (ETP)**

  Council members appeared to be evenly divided as to whether coordination with ETP should be considered as a success or less than a success. The Council appeared to be struggling to determine the best way to coordinate with this major program which is both quite similar to and distinct from JTPA.

- **Coordination with the Employment Development Department (EDD)**

  For some Council members, coordination with EDD is an example of a coordination success at a high level. Others viewed relations with EDD on the local level as being more successful. Still other members felt improvement was needed on all levels between state and local JTPA coordination and EDD.

- **Older Workers**

  Older workers were the second most frequently mentioned special constituency. Many members of the Council expressed concern that more could be done to establish policies that encourage a coordinated effort to help this group.

- **Anticipated Changes in the Federal Law and Regulations**

  An upcoming concern is the impact of new federal legislation on the emphasis of JTPA and on funding levels. This is understandable, since the Council will have a significant policy role in implementing in California the changes Congress makes in JTPA.

Briefly, some of the other issues identified during the interviews as substantive past efforts or upcoming issues were:

- *Marketing*
- *Limiting bureaucracy*
- *Serving other or special constituencies*
- *Private/public sector interaction*
- *Performance standards/incentives*
- *Demographic changes in California.*

Role of the Council

The final interview question dealt with the Council's overall role. The overwhelming response was that the Council's primary role is as an advisory body to the Governor to assist him in formulating JTPA policy. In addition, most of the changes that Council members suggested are in the area of strengthening the advisory and policy duties of the Council. In particular, many members felt the Council's authority should be bolstered and that the Council should work to provide better guidance to local PICs and SDAs.

As to be expected in a body as large and diverse as is the State Job Training Coordinating Council, there are a number of areas where individual member's views were in conflict with the views of other members. Issues such as establishment of new SDAs, coordination with ETP, and the degree of statewide coordination achieved to date are all areas where there were strong differences in opinion.

However, what stands out in reviewing the interviews is the remarkable agreement as to the major areas of concern. Communication and coordination with PICs/SDAs, youth, and statewide planning and coordination were mentioned again and again in a broad spectrum of views and interests. The ability of individual members to agree on these and other core issues such as economic development, GAIN, and ETP is vital to the the future effectiveness of the Council.

3. ROUNDTABLE SESSIONS

A major task of the Coordination Study was to determine Council priorities among the identified policy areas. To obtain Council consensus, we conducted a roundtable session with Council members during which all policy initiatives were presented and members were requested to rank order each. Then, relative Council priorities were used to focus collection of data from PICs and SDAs.

Since the study examined the current and previous role of the Council, a historical approach was used to identify policy areas and initiatives. Because new policy concerns of the Council will have their impact only in the future, we concentrated on past concerns in order to study the Council's effectiveness to date.

Prior to conducting the Council roundtable, a pilot roundtable was held with Council staff. The goals of the staff roundtable were to:

- *Test the roundtable methodology*
- *Refine and add to the issues developed*
- *Obtain staff's perception of the Council's main policy concerns.*

A major accomplishment of the staff roundtable was the insight provided by staff that only the broad policy areas could be prioritized. The result was a decision to continue to list individual initiatives, but to ask the Council to rank only the policy areas. Staff also was able to add to the list of initiatives and redefine one of the broader policy areas. Using what was learned at the staff roundtable, as well as what was being learned in the on-going Council member interviews, the study team developed a list of policy areas for the Council roundtable meeting.

After a brief introduction to the purpose and ground rules of the meeting, Council members individually ranked the policy areas according to their relative importance in the past. In addition, members were asked to include additional issues to be added to the list. Ranking sheets were collected, and the results were tabulated on a computer.

After a review of the initial results, the Council entered into a wide ranging discussion of the policy issues. As a result, two concerns were added to the list: Urban/rural equity and minimization of paperwork. After which a second ranking was conducted.

The rankings that resulted are shown below, along with the following brief summary of the Council's discussion on each issue.

Council Ranking	Policy Area
1	**Communication and Coordination with PIC/SDAS** This policy area was felt to be key to the Council's existence. It is in this capacity that the Council performs its primary role as the statewide JTPA coordinating body.
2	**Youth** The Council appears to feel a special obligation to include the young people of this state in JTPA. The discussion of this issue centered not on whether youth is important, but on how much has actually been done.
3	**Economic Development** Economic development was initially ranked second, and then third, attesting to the Council's recognition of the need to generate jobs as well as train people for them.

4 **Statewide Planning and Coordination**

Statewide planning and coordination traded places with Youth between the first and second rankings. It was clearly seen by the Council as a chief concern.

5 **Coordination with GAIN**

GAIN appeared to be doubly important to JTPA because it emphasizes training of welfare recipients. The Council's desire to coordinate with GAIN can be seen by the initiatives it has already taken so soon after GAIN's passage as law.

6 **Performance Standards**

Performance standards were not given as high a ranking as might have been expected. This may be because performance standards appear to be viewed as something that is handed down from the federal government to the PICs/SDAs through the Council, more than a policy area the Council can take the lead in.

7 **Labor Market Information**

Labor market information was ranked low in both rankings. Perhaps this is because it is not seen a policy area in and of itself, but more as a necessary tool to aid in determining policy.

8 **Marketing**

Marketing also ranked relatively low both times. The feeling was that, although this is an important area, historically it has not been a central policy concern.

9 **Urban/Rural Equity**

Maintenance of urban/rural equity in JTPA funding has been a defacto policy of the Council.

10 **Minimization of Paperwork**

This issue also was mentioned in the interviews with Council members. The fight against red tape may not have ranked higher because of the other issues it had to compete against. Perhaps, also, it ranked low due to the feeling that there has not been a uniformly successful initiative in this area.

C. STATE AGENCY INTERVIEWS

In our interviews with members of other state agencies involved in the state's employment and training programs, the respondents were asked to:

- *Characterize their agency's level of involvement with the Council*
- *Assess the role the Council has played in the job preparation system*
- *Assess the effectiveness of the Council in coordinating job preparation programs at the state and local level*
- *Identify factors that have enhanced or diminished the Council's effectiveness*
- *Assess how the role of the Council might evolve in the future.*

Promoting coordination at the local level was an area which both the Council and its staff rated as a high priority. Staff in other agencies, however, rated the Council as more effective at coordinating programs at the state level than at the local level. Fifty percent of the agencies felt the Council was "very effective" or "somewhat effective" at coordinating programs at the state level. In contrast, only 36 percent gave similar ratings to the Council's effectiveness at the local level. Over half the agencies interviewed perceived the Council as having no effect on coordination at the local level.

Table 2

STATE AGENCY PERCEPTIONS OF THE
COUNCIL'S EFFECTIVENESS IN PROMOTING COORDINATION
AT THE STATE AND LOCAL LEVEL

	State Level	*Local Level*
Very Effective	8%	9%
Somewhat Effective	42%	37%
Very Little Effect	25%	9%
No Effect	25%	55%

When agencies were asked what factors enhanced the Council's ability to promote coordination, a number of topics were reported frequently. The experience and knowledge of Council staff was mentioned by several agencies as a factor that had helped the Council have a positive impact on coordination at the state level. A number of agencies pointed out that the creation of the first interagency agreements and the Governor's Special Services and Coordination Plan also has enhanced the quality of coordination at the state level.

Agencies identified a host of barriers which they believed limited the Council's ability to promote coordination at both the state and local level. The history of conflict and turfmanship among state training agencies was the most frequently mentioned barrier. The fact that other agencies identified the Council as involved solely with JTPA also was perceived as limiting the Council's ability to coordinate with other programs. Several agencies mentioned they did not perceive job training be a high priority of the Governor, which also diminished the impact of the Council.

The emphasis on local control and the fact that local PICs and SDAs resist state intervention also was identified as a key barrier. Several agencies reported that they saw JTPA with 51 SDAs and a myriad of federal and state regulations as a program that was too complex for them to get involved with. The number and variety of state and local training programs discouraged private sector involvement according to some agencies. It was also suggested that the Council's effectiveness with the private sector was limited by the fact that no chief executive officers from major corporations serve on the Council.

Several suggestions as to how the Council could increase its effectiveness were made. One agency suggested that the Council could increase other agencies' involvement in JTPA by "walking them through the system", thus making it easier for them to be involved. A number of agencies mentioned that the Council "sends out too much paper." Suggestions were made that Council staff summarize materials and mail the materials earlier.

It was suggested that rather than marketing solely JTPA to the private sector, the Council should market all public training programs jointly with other state agencies. Appointing CEOs of some major corporations to the Council also was suggested as a means to both enhance the Council's image and increase its ability to involve the private sector.

Interestingly, despite the long list of barriers facing the Council, almost 80 percent of the agencies interviewed believed that the Council would become more important in the future.

Table 3

STATE AGENCY PERCEPTION OF THE FUTURE ROLE OF THE COUNCIL

More Important	78%
No Change	11%
Less Important	11%

In summary, the perceptions other state agencies have of the Council are mixed. Most see the Council's major accomplishments as completing the compliance tasks prescribed by law, such as establishing SDAs and completing the Governor's Special Services and Coordination Plan. As a result of these activities, most agencies see a small but significant improvement in state level coordination. There is also a perception that the Council deals exclusively with JTPA, and thus, lacks a broad perspective to influence other state programs.

The agencies perceive very little impact by the Council on the local level and, given the barriers within the system, most do not believe the Council can have a significant impact there. There is a widely held perception that the Council could do more to involve the private sector. The lack of participation of major corporations on the Council was pointed out by several agencies.

Despite these barriers, most agencies believe the Council's role will become more important in the future.

IV. LOCAL LEVEL PROGRAMS

This section discusses local level coordination and operation of JTPA under the following subsection titles:

- *Coordination at the Local Level*
- *Awareness and Impact of the Council at the Local Level*
- *Role of Service Providers at the Local Level*
- *SDA Administrative Practices*
- *Consequences for Performance*
- *Typology of SDAs.*

A. COORDINATION AT THE LOCAL LEVEL

We completed ten case studies and 41 field visits in order to gather data on local level coordination between JTPA and ten other training and employment agencies. In addition to rating the level of coordination with each agency, the SDA was assigned an overall measure of local coordination. Ratings were applied according to the following scale:

COORDINATION RATING SCALE

High	*Many joint activities toward shared goals.*
Medium High	*Several joint activities beyond required compliance activities.*
Medium Low	*Very few activities beyond required compliance activities.*
Low	*Compliance activities only.*

In addition to the ratings, interviewers gathered anecdotal information about local coordination efforts and the barriers to effective coordination within each SDA. Exhibit IV-1, on the next page, summarizes our ratings of the level of coordination in all the SDAs. Agencies are listed from those with the highest ratings of coordination with local JTPA programs to those with the lowest.

1. OVERALL COORDINATION

In about two-thirds of all SDAs, overall coordination was rated as "medium low", indicating that in most SDAs the level of local coordination went slightly beyond the compliance activities mandated by the Council, but that active effective coordination of programs was not common. Primarily, SDAs completed the coordination agreement required by the plan. Occasionally the compliance activities would generate some real programatic cooperation.

Seventeen percent of the SDAs had low levels of coordination indicating that only minimal compliance activities were taking place, while 16 percent had "medium high" levels of coordination, indicating that there were substantial coordination activities beyond compliance.

Below is a detailed discussion of our observations about coordination with various members of the local job training system.

a. Coordination With Local EDD

Our interviews revealed that coordination between EDD and the SDAs varied tremendously from one SDA to another. Forty-two percent of the SDAs were rating as having "medium high" levels of coordination with their local EDD office while a third had "medium low" coordination and a quarter "low" levels coordination. SDAs with a high level of coordination had developed viable working relationships with regular contact between the SDA and the local EDD office, and periodic major joint undertakings such as working together on a plant closure or a

EXHIBIT IV-1

PERCENT OF SDAs WITH RATINGS OF COORDINATION WITH VARIOUS MEMBERS OF THE LOCAL JOB TRAINING SYSTEM

	High	Medium High	Medium Low	Low
Overall	2%	16%	65%	17%
Private Sector	6	40	30	24
EDD	0	42	34	24
Economic Development	7	35	16	11
GAIN	5	25	32	38
Local School District/ ROPs	2	28	50	20
Community Based Organizations	2	24	42	32
Local Elected Officials	0	19	19	64
Social Service Agencies	0	16	14	70
Community Colleges	0	14	48	38
Unions	0	2	16	82
Proprietary Schools	2	6	27	65

mass hiring. In the SDAs with low levels of coordination, only mandated compliance activities were taking place.

The table below shows the types of joint activities EDD officials reported under each major title of JTPA.

Table 4

EDD JOINT ACTIVITIES WITH SDAs

	Plan	Market	Operate
Title IIB - Summer Youth	88%	83%	88%
Title III - Displaced Workers	78%	44%	56%
Title IIA - 78%	64%	64%	36%
Title IIA - 3% - Older Workers	75%	50%	50%

Over 80 percent of the EDD officials reported that they had joint planning and marketing of youth programs. In our interviews, we encountered several very successful joint youth programs. In one SDA, the PIC, working with the regional EDD director, had planned a joint summer youth program that included uniform marketing and co-location of JTPA and EDD staff in three contiguous SDAs. The program included a regional ad campaign all keyed to a single 800 telephone number. When a young person called that number, he or she was referred to the nearest EDD office. Once at the office, the youth would be served by JTPA staff if JTPA eligible; if not, he or she would be served by EDD staff.

There were several occasions where EDD and the local SDA worked together to provide customized services to employers. In one SDA when there was massive rehabilitation and expansion of a major mall, EDD and JTPA worked together to recruit and screen local residents for jobs in the new mall. Together they set up an office adjacent to the mall and conducted joint outreach activities. When residents responded, they were screened according to criteria developed in cooperation with mall merchants. Once screened, applicants were matched with available jobs and referred to the employers for hiring.

The most common types of joint marketing activities reported were job fair presentations (40 percent) and development of marketing brochures (40 percent).

There are structural barriers that have limited cooperation between local EDD officials and SDAs. Most frequently mentioned was the fact that until recently EDD offices could not contract with local SDAs. Since this essentially eliminated the ability of EDD offices to be paid for their services, it naturally limited their ability and willingness to provide services. Even with the ban on contracting lifted, EDD officials did not think they had the authority to enter into performance contracts that involved risk. Since most SDAs rely on performance-based contracting, this creates a significant barrier to further joint efforts.

A second barrier is the structural difference between EDD and JTPA. EDD is a state-level, top-down program while JTPA is primarily a local program. Thus, EDD officials look to Sacramento for coordination while local SDA staff look to local government and service providers. We were frequently told by EDD officials that local EDD offices had not been proactive in getting involved in the early years of JTPA, and were now trying to catch up.

Finally, there is the problem of who receives credit for placement. EDD offices and managers are evaluated on the number of placements made, as are SDAs. Some SDAs and EDD offices view placement as a zero sum game, so that if one agency receives credit for the placement, the other cannot. Other states have specific policies allowing shared placement credit but there is no such policy in California.

Despite these barriers, EDD officials believe that cooperation was better now than it had been under CETA. Officials who thought cooperation had deteriorated noted that under CETA there was simply more money and that made for less competition and more cooperation.

Local EDD officials' evaluation of the JTPA planning process is mixed. About half of the local EDD officials interviewed believe the planning process is "very useful" and only 20 percent said it was not useful. Those who supported the process pointed out that it did force the two agencies to meet at least once every two years. If relations are good, the process can serve as a vehicle for generating more joint efforts.

The emerging importance of economic development is bringing JTPA and EDD together. As noted subsequently in the economic development discussion, coordination with public economic development is emerging as a major trend within the SDAs. In several SDAs where there were model programs serving private employers, the catalyst for the creation of the program was neither EDD or SDA, but the public economic development agency. For example, in the case of a major mall expansion mentioned earlier, local economic development officials had worked with the mall developer on financing and infrastructure improvements. In return, they asked for a commitment to hire locally. After this deal was in place, the economic development office brought EDD and SDA staff together to plan and execute the local hire program. This was not an isolated incident. In other cases of plant closures, or new plants moving into an area, we found that the economic development official was the person who made the link between the employer and the local employment agency.

b. *Coordination with Local GAIN Programs*

GAIN coordinators were interviewed in all ten case study SDAs as well as in each SDA that had implemented GAIN in the remaining 41 SDAs. In addition, SDA administrators and service providers were asked about their experience with the local GAIN program. Levels of coordination with GAIN were perceived to be low. Seventy percent of the SDAs were rated as having "low" or "medium low" levels of coordination.

In response to GAIN legislation which mandated that JTPA 8% money be used for GAIN eligible participants, the Council cooperated with the State Department of Education to establish a policy to set aside 50% of 8% funds for GAIN. The 8% set-aside appears to have led to as much conflict with GAIN as cooperation at the SDA level. A mixed picture emerged when local GAIN officials describe what impact the set-aside of 50 percent of the eight percent coordination funds for GAIN-eligible clients had on their relationships with the SDAs. We found cooperative relationships between GAIN and SDAs, and joint planning with the schools and the SDA for 8% programs, in about 30 percent of the SDAs. In the remaining SDAs, however, there appeared to be more conflict than cooperation.

Several GAIN coordinators said that the welfare department should administer the 8% monies because of local conflicts over which agency does the administration and paperwork for the program. Others indicated that the 8% policy acts as leverage to get the SDA involved in GAIN. Others observed that the policy has created interaction between the two agencies but not cooperation.

In a few cases, the 8% set-aside has resulted in inertia as the welfare department wants that the SDA to carry over funds to serve future GAIN clients while the SDA administrator complains that welfare cannot provide enough referrals to spend the money in the current year. Consequently, no joint planning or coordination is taking place. A clearer view on the impact of the 8% policy is seen when the responses of the SDA administrators are considered. When asked what impact the set-aside policy has had on the SDA, some respondents said that it has not had much effect because the money still goes to the local education agencies. Other administrators said that it had no effect, and a few reported a negative effect because of the restrictions applied to the use of the funds.

GAIN coordination with JTPA may not result in reduced duplication of services. In the interviews with the GAIN coordinators and SDA directors, perceptions emerge that the two state programs have created conflict at the local level. According to several GAIN officials, the state has mandated that both programs serve similar clients partly with the same funds, yet has not provided the direction or leadership on how to make the appropriate linkages. Several SDA administrators commented that the state has transferred control of an employment program from PICs, which have experience, to welfare departments, which do not, resulting in more cumbersome coordination. Still other SDA administrators said that the problem with coordinating JTPA and GAIN is that the two administrative systems operate differently. On one hand, the welfare system is centralized at the state level and is a top-down system. JTPA, on the other hand, is a bottom-up system, driven at the local level. Coordinating two such systems is difficult.

When asked whether joint JTPA/GAIN planning or implementation has reduced duplication of services, some respondents said it clearly had, while most others reported that the opportunity was there, but there was no real evidence of it happening as yet. In fact, we noted that GAIN has the potential to increase the number of state and local agencies involved in job search and training. We were told by the GAIN coordinator in one SDA that they (GAIN) had no intention of contracting with the SDA for training, that they intended to select their own service providers or provide the service themselves. To the extent this becomes actual practice, instead of being a program that increases local-level coordination to serve needy clients, GAIN will move in the opposite direction of increasing the proliferation of agencies providing similar services.

GAIN administrators appear to have taken the lead in coordination between GAIN and JTPA. At this stage of GAIN, the SDAs seem to be more important to GAIN than vice versa. Because GAIN is an employment program, it needs the SDA's expertise in job training and labor market issues that is missing in the welfare system. In addition, GAIN is currently driving welfare policy, being uppermost on the welfare agenda. The same cannot be said for the SDAs, which administer a myriad of programs.

In addition, budgetary problems surround GAIN and cloud the perceptions of the impact GAIN will have. For example, because of expected funding cuts, almost half of the GAIN coordinators could not say to what extent GAIN services will be provided by JTPA. Additionally, many GAIN counties will not serve volunteers, leaving a high-risk population to be served by other agencies. This uncertainty has created a disincentive to work with GAIN. For example, the GAIN coordinator in a county where GAIN was being implemented expressed frustration with the resistance and lack of cooperation received from the SDA, pointing out that welfare representatives regularly attended PIC meetings, but the SDA director had only attended one GAIN advisory meeting.

Differences in eligibility policies for GAIN and JTPA present another barrier to coordination i.e. the intake procedures that participants go through to establish eligibility to receive both GAIN and JTPA services. Both procedures are perceived as onerous and redundant and discourage clients from participating. Yet a GAIN client who will receive JTPA services must go through both procedures. We received several suggestions that both eligibility processes be streamlined into one. For example, once welfare recipients are certified GAIN-eligible, they could be given a certificate, which would also certify them as being JTPA-eligible, thus avoiding a second intake process.

Another respondent pointed out an example of how different eligibility requirements preclude cooperation between programs. Homeless people can receive welfare, but are not eligible for JTPA because they cannot satisfy the residency requirements of the Act. Thus, program administrators' hands are tied when attempting to develop a cooperative venture with this population.

Some exemplary efforts of GAIN/JTPA coordination were found. The case studies brought to light two exemplary efforts involving the GAIN and JTPA systems worth noting here. Given the uniqueness of each SDA (e.g., size, political history, etc.), these efforts are not meant to be examples of what could be replicated elsewhere, but rather to point out what has been accomplished as a result of the new welfare initiative.

- *As a result of joint GAIN/JTPA planning, one SDA developed a comprehensive labor market study that was used by GAIN planners, as well as the SDA, the economic development department, and service providers. The rational was straightforward — maximize resources, develop a quality product, and reduce the interruptions to employers. The same SDA, as a result of joint planning, also modified the JTPA referral process to streamline the placement of GAIN clients into appropriate services available in the SDA.*
- *In one medium-sized SDA, the GAIN department is co-located with the SDA and economic development staff. Both the GAIN coordinator and SDA director emphasize that the two programs make maximum use of each other's resources and minimize unnecessary duplication of services. For instance, GAIN subcontracts to the SDA to provide job search/job club activities, vocational assessment, long-term/short-term prep, and job placement.*

c. Economic Development

Coordination with economic development was rated "high" or "medium high" in 42 percent of the SDAs. We observed that coordination efforts between local and economic development programs and JTPA were expanding rapidly. Even in SDAs where we assessed the current relationship to be "low" or "medium low", there were future activities planned or just getting underway.

Seventy-five percent of the economic development officials rated their relationship with SDAs as excellent or good. Interestingly, we found the initiative for building this relationship came primarily from the economic development professionals. In case after case, it was the economic development professionals who approached the local SDA with an idea for a joint effort. To the SDAs credit, all the SDAs studied were eager to get involved with the local economic development effort. Perhaps this is because unlike other training and employment agencies, economic development agencies do not compete with the SDA for funds or participants in need of jobs.

One reason why this relationship is expanding is that when an employer participates in a public economic development program such as Industrial Development Bonds, often they must make a commitment to hire locally. In this period of relatively high levels of employment, employers are finding it increasingly difficult to find trained workers, especially in a given location. The JTPA program is an additional service the city or county can offer employers to help fulfill their commitment.

Preferential hiring and joint marketing are the most common joint activities between the SDAs and the local economic development office. Sixty-five percent of the SDAs reported that they had preferential or first-source hiring agreements with employers involved in local economic developement projects. Fifty percent said they jointly marketed economic development projects with the SDA, and 40 percent said they marketed job training jointly with the SDA.

d. Coordination With Local Social Service Agencies

Despite the fact that social service agencies were represented on all PICs, the level of coordination was rated as low in 70 percent of the SDAs. The coordination that does go on at the local level occurs primarily at the service provider level. We found that under performance contracts, service providers had a powerful incentive to see that participants got the services they needed to succeed in the program. Most training institutions have long established networks of support agencies they have developed independent of JTPA.

There are several SDAs where social service representatives had successfully advocated for the linking of JTPA with social service programs. For example, one SDA had developed a successful program to serve the homeless in cooperation with several social service agencies, and in another, a program to serve disadvantaged youth in conjunction with other social service programs.

e. *Local Elected Officials*

Coordination with local elected officials (LEOs) was rated as low in 64 percent of the SDAs, and as medium-high in 18 percent. Generally, we found local elected officials to have very little interaction within the local PIC.

Unless the LEO interviewed was also a PIC member, LEOs reported having contact with the local PIC less than once a month. About half of the LEOs had more frequent contact with the SDA administrator, on a once-a-week basis. The nature of this contact was usually to discuss policy or budget issues. Most LEOs reported receiving relatively little information from the SDA, usually in the form of an annual report or a listing of service providers' performance.

LEOs are involved in the appointment of PIC members. Private sector nominees usually came from the chamber of commerce. Other nominees also were presented from the PIC members or SDA staff. Several criteria were mentioned as being the basis for selection of PIC members including:

- *Interest*
- *Whether the company employs workers in the areas in which the PIC trains*
- *Whether the private sector nominee was the owner of a business or at least a manager in a large business*
- *Whether the private sector nominee made profit/loss decisions.*

LEOs were about equally divided as to whether they were involved in planning and setting JTPA program priorities. In general, LEO participation appeared greater in the smaller SDAs.

2. ROLE OF PRIVATE SECTOR AT THE LOCAL LEVEL

The Act intended that local private businesses should play a major role in local JTPA programs. Our research found that this was seldom the case. In general, we found that the influence of the private sector at the local level was severely limited.

This subsection reviews data from interviews with PIC chairs in the ten case studies, and data from interviews with SDA directors and service providers in our site visits to all SDAs. Table 5 shows how SDA directors, service providers, and PIC chairs rated the effectiveness of employer involvement in their SDA. Eighty-five percent of the SDA directors reported that employer involvement was "very effective" or "somewhat effective", compared to only 63 percent of the service providers and 50 percent of the PIC chairs.

Table 5
PERCEIVED EFFECTIVENESS OF EMPLOYER INVOLVEMENT IN SDA

	SDA Directors	Service Providers	PIC Chairs
Very Effective	42%	32%	20%
Somewhat Effective	43%	31%	30%
Somewhat Ineffective	15%	18%	30%
Not Effective	0	19%	20%

Forty percent of the SDA administrators reported that they had difficulty filling vacant private sector seats. While 85 percent of the SDAs reported that major private employers were represented on the PIC, further investigation revealed that often the representative on the PIC was not a top-level manager but a lower-level human resource or public relations manager.

We found that the private employer's primary ties to the local JTPA program were through service providers rather than the local PIC or SDA. About two-thirds of the service providers interviewed reported that they received donations of money, equipment, or staff from private employers. Often service providers have relationships with employers that have extend to other non-JTPA funded programs.

The most revealing evidence of the limited role that the private sector plays at the local level came from the interviews with PIC chairs, as discussed in the following section.

3. PRIVATE INDUSTRY COUNCIL CHAIRS

Private industry council (PIC) chairs have limited knowledge about local job training programs and JTPA in general. In interviews, PIC chairs exhibited little knowledge of the local SDA's program or the broader JTPA program. Several chairs were unable to identify the major policy initiatives of their PIC. Several others did not know the SDA's major contractors or the principal occupations for which they train.

To the degree that PIC chairs were knowledgeable about the program, their focus was almost exclusively local. Few PIC chairs knew about JTPA-related issues at the state level. For example, when asked to evaluate the impact of the SJTCC at the state level, 50 percent of the PIC chairs reported that they had no opinion.

There were several reasons for the chairs' lack of knowledge. First, the JTPA is complex and few chairs have had the opportunity for formal orientation to this national program. We also found that although all the chairs spent substantial time on PIC business (one chair estimated he spent 40 hours a month) much of that time was spent attending to details, such as reviewing proposals or accounting procedures, rather than policy discussions. Finally, in most SDAs, the SDA director and staff controlled the flow of information to PIC chairs. Thus, unless the staff made a point of bringing some issues to the chair's attention, the chair generally would not be aware of it. It is important to note that in only a few large SDAs does the PIC have staff independent of the SDA administration and, in one case, this was limited to a secretary and an independent marketing consultant.

PIC chairs were primarily from local small businesses. In reviewing the private sector members of the PICs, we found that they fell generally into one of two categories: either they were from local small businesses or they were human resource or public relations managers from larger companies. Usually the chair was a local small business person. This is due largely to the way private sector members are nominated to the PIC. In most SDAs, local chambers of commerce nominate chamber activists to the local elected officials. These nominees usually are appointed to the PIC and, if they remain active, become the chair. This process tends to eliminate senior management of larger corporations who tend not to be active in local chambers. If larger companies are approached, they often nominate a human resource manager or public relations person, who has limited authority to speak for the company or influence other major employers.

Marketing has been a major focus of PIC-initiated activities. The area in which PICs have most commonly seized the initiative is in marketing. Several of the PICs studied had locally-generated marketing campaigns to encourage business participation in the SDA's program. One PIC had gone so far as to hire an independent consultant to head up its marketing effort.

Despite these efforts, none of the PIC chairs said local businesses were "very aware" of JTPA programs, and 70 percent said local businesses were "not aware" of the program. An interesting related finding is that only 30 percent of the PIC chairs thought businesses could distinguish between JTPA and CETA programs. SDA directors reported a higher level of awareness, only 45 percent said local businesses were not aware of JTPA and two-thirds thought local businesses could distinguish between JTPA and CETA. These perceptions are interesting in light of our survey, discussed in Section V, which found that 43 percent of employers who were not already participating in JTPA were aware of the program or the PIC.

PIC initiatives and deliberations are primarily restricted to JTPA administration. The PIC chairs saw their role as primarily one of overseeing the implementation of the JTPA program. In general, the PIC chairs did not see it as within their role to attempt to influence the policy of other training agencies. GAIN planning is a good example of this dynamic. Essentially, PIC chairs saw no role for the PIC in GAIN planning. Rather, they thought the fact that the local GAIN administrator must sign-off on their two-year plan diminished their authority.

There were several notable exceptions to this finding. For example, one PIC had initiated a Boston Compact type of program in which employers guarantee jobs to disadvantaged youth who complete high school. The PIC was trying to bring together a number of JTPA-funded agencies, as well as a local school district and local employers, in a program aimed at all high school youth, whether they were JTPA eligible or not.

PIC chairs are satisfied with the mix and quality of training provided by their SDA. Fifty percent of the PIC chairs thought the training provided by their SDA was well matched to the needs of the local labor market. Only ten percent thought training was poorly matched to the market.

Similarly, 40 percent were "very satisfied" with the quality of training offered to participants in their SDA and none of the PIC chairs said they were dissatisfied. Interestingly, 20 percent of the PIC chairs said they did not know enough about the quality of training offered to participants to rate it.

B. AWARENESS AND IMPACT OF THE COUNCIL AT THE LOCAL LEVEL

To determine the impact of the Council at the SDA level, we examined four measures of the Council's impact:

- *Awareness of Council*
- *Perceptions of the Council's state and local impact, and the role of Council in job training*
- *The impact of the Council's initiatives at the SDA level*
- *Local suggestions for Council action.*

Each of these subjects is discussed in this subsection.

1. AWARENESS OF COUNCIL

Awareness of the Council was high among SDA administrators, with most direct contact reported with individual Council members. **Exhibit IV-2**, on the following page, shows the percent of interviewees who were aware of the Council and who had contact with the Council. Over 80 percent of individuals in the categories interviewed were aware of the State Job Training Coordinating Council. Over half of the SDA administrators, PIC chairs, and local EDD representatives have had some contact with the Council. Notably, only a quarter of the service providers reported contact with the Council. As might be expected given the number of Council members, the most contacts reported were with individual Council members. SDA administrators reported the most contact with the Council Executive Director or Council staff, while service providers and local elected officials reported the most contact with Council members.

The Council is perceived as being only somewhat responsive to suggestions from SDAs. When asked how responsive the Council was to suggestions from SDAs, only 11 percent of the SDA administrators said they were "very responsive", a third classified the Council as "somewhat responsive", and 51 percent said the Council was "somewhat unresponsive". Despite this dim view of the Council's responsiveness, 95 percent of the administrators said they regularly respond to Council requests for input about policy.

EXHIBIT IV-2

AWARENESS OF AND CONTACT WITH COUNCIL

	Percent Aware of Council	Contact With Council	Of Those Who Had Contact, Contact Was With: Council Member	Executive Director	Council Chair	Council Staff
SDA Administrator	100%	95%	65%	65%	35%	81%
Service Providers	86%	26%	44%	13%	19%	63%
Private Industry Council Chairs	100%	50%	20%	100%	60%	60%
Local Elected Officials	86%	29%	100%	0%	50%	0%
EDD Officials	100%	63%	38%	100%	38%	100%
Economic Development Officials	86%	44%	50%	0%	50%	25%
GAIN Coordinators	81%	60%	13%	31%	0%	63%

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2. PERCEPTIONS OF THE COUNCIL'S IMPACT AT THE STATE AND LOCAL LEVEL

Exhibit IV-3 summarizes local perceptions of Council impact. Overall, SDA administrators, service providers, and GAIN chiefs saw the Council's impact on state level coordination as minimal. Only 18 percent of the SDA administrators, seven percent of the service providers, and eight percent of the GAIN coordinators described the Council as "very effective" or "somewhat effective at the state level."

SDA administrators, service providers, and GAIN coordinators gave the Council even lower ratings on its local level impact on coordination at the local level. Two-thirds of the SDA administrators said the Council was "not effective" as well as 38 percent of the GAIN coordinators. Most service providers (60 percent) did not have enough information about the Council to offer an opinion.

The Council received slightly higher ratings on its role in the overall job training system. One out of five SDA administrators said the Council plays a major role in shaping job training policy, as did 15 percent of the service providers and only eight percent of the GAIN coordinators. Many more perceived the Council as only playing a minor role, that of an advisory group with little impact on the overall system. Again, over half the service providers did not know enough about the Council to offer an opinion on its role.

3. IMPACT OF COUNCIL INITIATIVES AT THE SDA LEVEL

After reviewing data from local interviews and documents collected from the SDA field researchers, we assigned a level of impact for each Council initiative on each SDA. Impact was rated on the following scale:

High Impact	*Council actions generated substantial changes in behavior such as changes in funding criteria, recruitment or program priorities.*
Medium Impact	*Council actions generated a small but real change in behavior.*
Low Impact	*Council actions generated minimal compliance behavior only.*

EXHIBIT IV-3

PERCEPTIONS OF THE SJTCC's IMPACT ON STATE AND LOCAL COORDINATION

	SDA Administrators	Service Providers	GAIN Chiefs
State Level Impact			
Very Effective *(Efforts make a major difference)*	5%	3%	0%
Somewhat Effective *(Some efforts have made a difference, others have little impact)*	13%	4%	8%
Very Little Effectiveness *(Only a minor impact)*	31%	13%	15%
Not Effective	41%	13%	15%
No Opinion	10%	76%	62%
Local Level Impact			
Very Effective	0%	1%	4%
Somewhat Effective	0%	14%	0%
Very Little Effectiveness	26%	6%	12%
Not Effective	69%	1%	38%
No Opinion	5%	60%	46%
Role of the Council			
Major Role *(Shapes job training policy and manages JTPA)*	21%	15%	8%
Moderate Role *(Provides a forum for various groups)*	34%	10%	4%
Minor Role *(Primarily an advisory group with little impact on the system)*	42%	22%	42%
No Opinion	3%	53%	46%

Table 6 shows the results of these ratings for each initiative studied.

Table 6
IMPACT OF COUNCIL INITIATIVES ON SDAs
(Percent of all SDAs)

Initiative	High Impact	Medium Impact	Low Impact
GAIN	16%	30%	54%
Economic Development	15%	21%	64%
Changes in Performance Standards	11%	34%	55%
Marketing	7%	37%	56%
Youth	4%	15%	81%

GAIN

The set aside 50 percent of the eight percent coordination funds to serve GAIN participants was the most controversial initiative studied. We rated the impact of the GAIN initiative as being high in 16 percent of the SDAs and medium high in 30 percent. This initiative was rated high more often than any other initiative. While the initiative received a lot of attention, it had not yet influenced behavior in many SDAs because GAIN is still in the planning phases. Although many SDA administrators reported the initiative had a major impact, they often perceived the impact as negative.

We observed that local administrators believed the GAIN initiative took away their control of the 8% fund and diminished their role in the local training system. As a result of this perception, several GAIN coordinators reported that local SDA personnel were uncooperative with or simply absent from the local GAIN planning process.

Finally, several SDA administrators in counties where GAIN was operational reported that the number of welfare recipients that served had actually declined because so many potential participants were tied up in the GAIN assessment process or redirected to remedial education.

Economic Development

Economic development has been a major initiative at the SDA level. Almost all SDA administrators reported linking their JTPA programs with economic development efforts. This linkage ranged from jointly preparing promotional packages to encourage employers to move into an area or expand, to jointly designing programs in which JTPA participants were given preferential hiring. Several SDAs reported having had economic development projects funded by the Council under five percent monies, a practice which they were sorry to see the Council discontinue.

The Council's process for approval of Title III discretionary proposals is perceived as taking too long. Two-thirds of the SDAs reported applying for Title III money in the 50 percent statewide set-aside. Whether ultimately successful or unsuccessful, all commented on the long amount of time needed to get approval from the Council for these projects. Most SDA administrators thought that the Council should stop approving Title III proposals because of the length of time involved.

Performance Standards

We rated changes in the performance standards as having had a high impact in only 11 percent of the SDAs, and a low impact in 55 percent. Our field research convinced us that performance standards shape SDA behavior more powerfully than any other force. However, since the standards are inter-related, the shift from five to seven did not have a significant impact on the SDAs' strategies for meeting the standards.

Many SDA administrators are discontent with what they see as constant shifts in the standards. Several SDAs suggested that shifts in standards be coordinated with the two-year planning cycle so SDAs could plan appropriately.

With performance-based contracting, the risk created by performance standards is primarily passed from the SDA to the service providers. Thus, as discussed further later on in this section, service providers have developed a range of specific strategies for increasing their placement rate and other performance indicators. These strategies did not, however, appear to be a response to the Council's changes in the number of performance standards to be exceeded before an SDA was eligible for an incentive award. In fact, not all of the SDAs we visited passed the incentive award monies back to their service contractors.

Marketing

The Council's marketing program had a high or medium impact on 44 percent of the SDAs. Forty-five percent of the SDA administrators reported using the marketing materials developed by the Council, 90 percent read the Council's **PARTNERSHIP** newsletter, and 90 percent had sent someone to the Council-sponsored marketing seminars. The provision of model marketing materials and staff training were perceived to be appropriate activities for the Council by most SDA directors. Smaller SDAs with more limited resources were more likely to use Council-generated material then larger SDAs.

Youth

We rated the Council's youth initiative as having a low impact in 81 percent of the SDAs. The reason for the low rating was that while most SDA administrators agreed that setting aside $1 million for incentive monies to serve high-risk youth was a good idea, it had little or no effect on their programs. SDA administrators said that they were already serving high-risk youth and that the incentive monies were not enough to be a real incentive.

The 8% youth literacy request for proposals also had a mixed affect at the local level. On the one hand most of the SDA administrators either responded directly or had service providers that responded to the eight percent youth literacy request for proposals. On the other hand, many who did respond complained about the selection process for 8% projects. For example, one SDA administrator believed the system was biased because only State Department of Education readers were used and there was no orientation for bidders. There was also no formal system for evaluating the results of the 8% special projects.

Despite the view of SDA administrators that the Council's youth initiatives had a low overall impact, the initiatives do appear to have had a net positive affect. Perhaps more important than the incentive money was the formation of the Youth committee and its report. In interviewing SDA administrators and service providers, it became clear to us the Council's focus on youth had in fact raised the youth issue to the top of many SDA's policy agenda. Probing revealed that the Council's report, Tomorrow's Workers at Risk, often called PIC members attention to the youth issue, and served as a catalyst for local initiatives.

4. LOCAL SUGGESTIONS FOR COUNCIL ACTION

Exhibit IV-4, on the following page, presents a listing of interviewees' suggestions regarding the role of the Council and future issues the Council should address. There were five suggestions for Council action that were mentioned repeatedly by individuals from various local level agencies:

- Continuation and expansion of the statewide marketing efforts to increase the awareness of the private sector of public job training programs was mentioned as an important role of the Council by SDA administrators, PIC chairs, and local EDD officials.
- Providing models of effective JTPA programs and coordination activities, along with specific guidelines on how to effect local linkages, was mentioned by service providers, local economic development officials, and GAIN coordinators. This is interesting because these groups are probably the least likely to have heard of the VOICE dissemination project.

INTERVIEWEES SUGGESTIONS REGARDING THE ROLE OF THE COUNCIL

SDA Administrators

- Focus on broad policy issues.
- Set statewide priorities, such as economic development.
- Establish a two five year policy plan.
- Sponsor a series of policy seminars to examine statewide policy issues and trends.
- Continue and expand marketing efforts to increase the awareness of the private sector.
- Serve as an advocate for California to DOL.
- Change the incentive structure to encourage long term job retention.
- Stop reviewing and approving Title III discretionary proposals.
- Encourage representatives of large statewide employers to become involved with the Council.

Service Providers

- Create a mechanism for the Council to receive regular input from service providers, perhaps by establishing a statewide advisory committee.
- Publicize more information on Council meetings and hold meetings in local areas.
- Reduce program eligibility requirements to reduce paperwork and administrative time.
- Provide models of effective programs and provide more direction on making linkages with other local level programs.
- Provide information about projected statewide employment trends.
- Provide advice to SDAs in addition to oversight.

Local Elected Officials

- Reduce the amount of time needed for approval of Title III discretionary grants.
- Allocate more of Title III as an entitlement.
- Hold meeting outside of Sacramento.
- Provide a stronger mandate to better match existing programs with a community's economic development goals and objectives.

PIC Chairs

- Hold more meetings outside of Sacramento.
- Continue marketing efforts to increase awareness among private sector.
- Reduce the paperwork needed to administer program.

Local EDD Officials

- Fund cooperative projects between JTPA and EDD.
- Provide financial incentives to SDAs to encourage cooperation.
- Communicate directly with local EDD and local elected officials on JTPA issues.
- Provide marketing and public relations assistance on a local or regional basis.
- Clarify role and relationship between EDD and SDA, especially with regard to job development and placement.
- Develop an ongoing evaluation process to enable the Council to monitor the local enactment of its policies.

Local Economic Development Officials

- Establish uniformity in data to be collected for JTPA and for economic development reporting.
- Involve the Department of Commerce more with other State agencies.
- Setaside funds to disseminate information about model programs.
- Work with Department of Commerce to market job training jointly.
- Reduce amount of paperwork for JTPA programs.

Local GAIN Coordinators

- Clarify how the 8% setaside is to be spent.
- Provide models and guidelines for GAIN-JTPA coordination.
- Assist in developing consistent joint eligibility criteria for GAIN and JTPA.
- Require SDAs to present JTPA plans to GAIN in time for comment.
- Mandate how SDAs and GAIN are to coordinate.
- Coordinate activities at State level among all agencies involved in job training.

EXHIBIT IV-4

- Publicizing and holding more Council meetings around the state was mentioned by service providers, local elected officials, and PIC chairs. We understand that the Council does send announcements of its meetings to SDA administrators and PIC chairs, and has expanded its meeting locations to include several meetings outside of Sacramento. This suggestion may reflect difficulty in the flow of information to these groups.

- Reducing the amount of paperwork required to administer JTPA was mentioned by service providers, PIC chairs, and local economic development officials. The extensive paperwork requirements were mentioned as a barrier to private sector participation as well. However, local service providers did not distinguish between state-mandated reporting requirements and any additional requirements imposed by the local SDA.

- Coordinating the activities of state-level agencies with regard to the specific roles and responsibilities of each was mentioned by local EDD officials, local economic development officials, and GAIN coordinators. These are all representatives of state programs that are used to statewide mandates and they appear to be seeking a similar level of statewide control over JTPA through the Council.

C. ROLE OF SERVICE PROVIDERS AT THE LOCAL LEVEL

The JTPA program is primarily delivered to participants through a network of local service providers who contract with the local SDA. In fact, selecting and monitoring local service providers is the primary work of most SDA administrators. The strength of this arrangement is that it reduces duplication of programs and provides a method for linking training institutions -- both public and private -- at the local level.

The limits of this arrangement is that to the degree that the local PIC/SDA simply purchases a limited number of slots in existing training programs, it is unable to shape or target the larger program to local needs. The local JTPA budget is a small fraction of what is spent on job training at the local level, and this reality limits the power of the PIC/SDA to influence the direction of the larger local employment and training systems. For example, a regional occupation program (ROP) with a multi-million dollar budget is unlikely to change its overall curriculum or program because of a PIC-funded program worth $50,000. Often, service providers see JTPA programs as add-ons serving a special clientele. The year-to-year funding of JTPA programs also limits JTPA's ability to shape institutions' planning and behavior. The exception to this dynamic are those community-based organizations and private employers who receive most or all of their funding from JTPA.

1. TYPES OF SERVICE PROVIDERS

In the course of the ten case studies and field visits, we interviewed 121 service providers. This was an extremely diverse group ranging from small, store-front community-based organizations (CBOs) to large community colleges. In some cases JTPA funding accounted for 100 percent of the agency's budget, in others JTPA made up as little as one or two percent. We found the typical agency received 38 percent of its annual budget from JTPA and had been involved in JTPA for four years; 29 percent contracted with more than one SDA. Table 7 shows the services typically provided.

Table 7
SERVICES PROVIDED WITH JTPA FUNDS

	Percent of Service Providers
Intake and Assessment	50%
Classroom Training	82%
OJT	46%
Placement	78%
Bilingual Programs	18%
ESL Programs	28%
Other	17%

Most service providers offered some type of classroom training, about half did their own intake and assessment, and three-quarters were responsible for placement.

The network of service providers is made up of a diverse array of agencies. Although CBOs and ROPs were the most frequent contractors, an assortment of agencies were used throughout the SDAs (e.g., schools, community colleges and four-year universities, private employers, labor unions, prime agents, and SDAs themselves). The table below presents the proportion of SDAs that had JTPA contractors with the various types of service providers.

Table 8
PERCENT OF SDAs USING VARIOUS TYPES OF SERVICE PROVIDERS

	Percent of SDAs
Regional Occupational Programs or Centers	86%
Community Based Organizations	86%
Proprietary Schools	64%
Community Colleges	62%
Private Employers	46%
Other Government Agency	36%
Unions	18%

We should note that this table reflects only the percent of SDAs using various providers; it does not reflect the size of contracts. Our observations indicate that CBOs and private proprietary schools tend to receive smaller contracts than do the public education agencies.

2. SERVICE PROVIDERS AND LOCAL COORDINATION

Most local coordination efforts take place at the service provider level. Under the JPPA performance system, the service providers bear most of the risk. Poor performance can mean reductions or cancellations in current or future funding. Because providers have to "produce or else," they have a powerful incentive to make sure their participants get all the services they need to succeed. Most providers reported receiving additional funding for their programs from sources outside the SDA surveyed. In fact, on the average, service providers reported that JPTA funds make up only 38 percent of their annual budget. Other funds come from other SDAs, the Carl Perkins Vocational Education Act, state average-daily-attendance funds (ADA), other state agencies (e.g., Vocational Rehabilitation, Employment Training Panel), and private foundations. Multiple funding sources connect providers to multiple resources in the community and place them in better positions to get programs working together than the SDAs.

Eighty-four percent of the providers reported linking with private agencies to obtain other services for their participants. These services ranged from providing counseling, drug rehabilitation, and legal assistance to obtaining food, clothing, and shelter. In one case, a provider supplemented the funds it received from JTPA for supportive services with its own money because there was a greater need for additional services than JTPA could provide.

The agencies providing these services include many private employers. In one SDA, a provider has linked with a large retail department store to provide no-cost job search workshops to its JTPA enrollees. Several providers have strong links with corporations that result in donations of equipment and supplies. In one case, a provider received money from a large employer to pay stipends to participants. The strong links of service providers with the community is also evidenced by the importance providers give to their community network as being their principal source of labor market information, over local or state projections. These observations lead us to conclude that coordination in the JTPA system is more client-driven than institutionally-driven.

Service providers also are the primary tie between local JTPA programs and the private sector. In most SDAs, it is the service provider and not the SDA that develops OJT slots in private industry or makes placements at the completion of training. Again, performance contracting puts tremendous pressure on service providers to remain closely linked to the private sector, so they can achieve their placement goal.

A consequence of these close ties between service providers and the private sector is that a private employer may not even know when he hires a JTPA trainee. For example, a private employer may call his local community college to hire a secretary or a welder. The person they ultimately employ may have been trained with JTPA funds or by some other program, and it is unlikely the employer will know the difference. Thus, the employer will identify the employee with the service provider, not the JTPA program.

3. SERVICE PROVIDERS AND THE COUNCIL

Service providers desire direct links to the Council on a regular basis. While most providers are aware of the Council, a large number had no understanding of the Council's role. For example, most (86 percent) respondents were aware of the Council and a quarter (26 percent) had personal contact with a Council member or staff. But 76 percent of the respondents had no information on which to rate the Council's overall effectiveness at coordinating job training at the state level, and 60 percent lacked sufficient information to judge the Council's effectiveness at coordination at the local level. Of those who did rate the Council on these questions, about an equal number of respondents reported the Council was as much "effective" as they were "ineffective" at state-level coordination. It is interesting to note that many service providers confused JTPD and the Council.

When asked what the Council could do to improve coordination, these general observations emerged from service providers:

- *Create a mechanism to get regular input from service providers*
- *Learn more about local programs*
- *Modify program eligibility requirements which are cumbersome and require too much paperwork and administrative time*
- *Provide models of effective programs and provide more direction on making linkage with other local programs.*

What emerges from these data is a perception that the providers are too distant from the Council on the JTPA continuum and screened from it by the SDAs. This is not to say that the service providers want to sustain the distance. Many providers want closer ties with the Council. Several providers suggested the Council publish more information on their meetings and hold meetings throughout the state. The most frequent suggestion was for the Council to create a mechanism to obtain direct and regular input from service providers.

4. COPING WITH PERFORMANCE STANDARDS

Service providers have developed a range of strategies to minimize the risks inherent in performance contracting. The providers were asked how JTPA performance standards have affected their program operation in screening clients, matching programs to labor markets, providing support services, and placement. Responses suggest that JTPA's performance standards have had a substantial effect on program operations. One-third of the providers said that the standards had forced them to be more selective in who they enroll, i.e., the practice often referred to as "creaming". Several providers said that the reduction in support services and the pressure to meet performance goals compelled them to shorten their programs and turn away clients with long-term needs. There was virtually unanimous agreement that under JTPA placement is more important than in the past.

Training agencies with multiple funding sources reduced the risk of not meeting the performance requirements of their projects by only assigning successful participants to JTPA budgets. For example, a large public educational agency enrolled all interested students in its clerical training program regardless of JTPA eligibility. As students completed the program and were placed, the program manager checked to see if they were JTPA eligible. If they were eligible, they were assigned to the JTPA budget and reported to the SDA. The cost of training students who did not complete the program or who were not placed were assigned to other budgets that did not have performance requirements.

Agencies with a single source of funds have also found ways to reduce the risk. For example, we interviewed one agency that enrolled clients without pre-selecting for ability. However, the program manager did not report the enrollments to the SDA until they completed the program. Enrollees who did not complete were simply not reported.

Agencies use these strategies not only to reduce the risk of not meeting performance goals, but to enable them to serve all clients in need without "creaming" to select the most able.

While identifying manipulation of the reporting system was outside the scope of the study, we did find evidence of strategies like those described above in 24 percent of the SDAs. Since the SDA is also evaluated on its performance, which is simply the sum of its service providers performance, it has little incentive to stop these behaviors.

5. SERVICE PROVIDERS AND LOCAL POLICY DEVELOPMENT

Service providers are usually active in the development of local PIC policy and generally satisfied with their role. About a quarter (23 percent) of the service providers said they could influence policy in their SDAs "a lot", 52 percent reported they could influence policy "somewhat". Only 25 percent thought they had no influence. Two-thirds of the service providers belonged to groups of service providers that met regularly, and who acted as a group to influence SDA policy. In general, service providers thought their local SDA coordinated training effectively. Sixty-three percent said their SDA was "very" or "somewhat effective."

D. SDA ADMINISTRATIVE PRACTICES

Exhibit IV-5, on the next page, summarizes the primary administrative practices of the SDAs observed in our ten case studies. Based on these SDAs, we identified three administrative practices we thought were key to analyzing the SDA's performance. They are:

- *Having top management of local employers on the PIC*
- *Using performance-based contracts*
- *Offering bilingual services.*

1. PIC MEMBERSHIP

Sixty-three percent of all PICs had top management from major local employers. Other PICs had major local employers represented, but by lower level management.

2. PERFORMANCE-BASED CONTRACTS

As we discussed in the service providers section, most SDAs use performance-based contracts to insure that their service providers, hence the SDAs achieve their performance goals. As Exhibit IV-5 shows, a third of the SDAs reported that all their contracts were performance-based, about half had some performance-based contracts, and 18 percent did not use performance-based contracts.

SDAs used three basic types of contracts. Line item budget contracts are nonperformance-based contracts where providers have placement goals, but projects are monitored according to how spending conforms to budgeted categories.

Benchmark contracts are performance-based contracts where service providers are paid per participant. Providers receive a partial payment whenever a participant completes a phase of the program. For example, a provider may have a contract that

EXHIBIT IV-5

SDA ADMINISTRATIVE PRACTICES

(Percent of SDAs)

Practice	Percent of SDAs*
Top Management of Major Employers on Council	63%
Uses Performance-based Contracts:	
All contracts	33%
Some contracts	49%
No contracts	18%
Most Commonly Used Contract:	
Line item budget (No pay for performance)	35%
Benchmark contracts (Pay a share of participants' costs at certain benchmarks)	43%
100% performance-based (All payments contingent on placement)	20%
Other	2%
Offer Bilingual Programs:	60%
Groups served:	
Hispanics	88%
IndoChinese	42%
Other	13%
Bilingual Services:	
VESL	32%
ESL	72%
Skill training	48%
Job preparation	40%
Other	8%

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* Percent of all SDAs reporting the various administrative practices listed in the first column.

pays $2,000 per participant. The provider will "earn" $400 when the participant enrolls, $600 when the participant completes training, and the last $1,000 when the participant is placed in a training-related job. If a participant drops out, the service provider may keep the payment earned up to that point.

One hundred percent performance-based contracts are the strictest performance-based contracts. In this case, service providers are paid 100 percent of the per-participant costs only when the client is placed on a job. If a participant drops out before placement, the provider is not paid at all.

Line item budget contracts were the most commonly used contract in 35 percent of the SDAs. Benchmark contracts were the dominant type in 43 percent of the SDAs. One hundred percent performance-based contracts were the most common type of contract in only 20 percent of the SDAs.

3. BILINGUAL SERVICES

Sixty percent of the SDAs reported that they offered bilingual programs, with 88 percent targeting their programs to Hispanics and 42 percent to Indo-Chinese. The bilingual services offered most often were English-As-A-Second-Language (72 percent), skill training (48 percent), and job preparation (40 percent).

E. CONSEQUENCES FOR PERFORMANCE

The next step in the local analysis was to determine if the administrative practices of the SDAs and the impact of Council initiatives were related to SDA performance. An underlying assumption of the Council's focus on coordination is that high levels of coordination are associated with efficient use of scarce resources and high levels of performance. In this section we analyze the relationship between performance and coordination.

1. PERFORMANCE MEASURES

As our measure of SDA performance, we used the total percent by which SDAs exceeded seven performance standards. This is the overall measure of SDA performance used by JTPD in the awarding of six percent incentive monies. To interpret these scores, it is important to remember that performance standards are set individually for each SDA using multiple regression equations. These equations take into account the demographics of the eligible population and local economic conditions, and adjust standards accordingly. Thus an SDA with a high number of low income families and high unemployment would have a lower standard for "Adults Entered Employment" than an SDA with a more affluent population and low unemployment. Using the variance from these standards means that this measure has already been adjusted for differences in local demographics and economic conditions, and thus, differences in performance are not due to economic and demographic differences.

To measure the relationship of various SDA administrative practices and Council impact with performance we calculated the average overall performance scores for the subgroups of SDAs rated as having "high", "medium high", "medium low" and "low" levels of coordination. Then, we examined the pattern of scores to determine if there was a relationship between coordination and performance.

The data describing the relationship of each variable presented here to the seven performance measures are presented in Appendix A in the accompanying technical volume.

A final note on the analyses presented here. One SDA had an overall performance score that far exceeded that of every other SDA, and severely skewed the results of this analysis. That SDA was dropped from the analyses presented here to increase the general applicability of the results.

2. RELATIONSHIP BETWEEN COORDINATION AND PERFORMANCE

The relationship between coordination and SDA performance is not clear cut. **Exhibit IV-6** shows the average overall performance scores for SDAs with various levels of coordination with different local agencies. SDAs rated as having "medium high" levels of coordination overall had the highest overall performance, followed by those rated as "low". Surprisingly, the single SDA that was rated as having high coordination had a low level of performance. This confounded pattern is found throughout the analysis of coordination and performance. Only in the areas of coordination with GAIN, economic development, and community colleges is there a pattern that suggests if coordination is high, performance is high. In other areas, such as coordination with the private sector, unions and social service agencies, the pattern is reversed; as coordination increased, performance declined. It is important to note that these coordination measures are for coordination only at the SDA level. Coordination by individual service providers may have been higher or lower.

Interpreting these results is difficult because, while we can measure the relationship, we can not assume that coordination causes high or low SDA performance. Rather, it appears to us that coordination has neither a strong negative or positive impact on SDA performance. These data suggest that factors other than coordination influence an SDA's performance.

EXHIBIT IV-6

RELATIONSHIP OF LEVEL OF COORDINATION AND OVERALL PERFORMANCE IN TERMS OF AVERAGE TOTAL VARIANCE FROM STANDARDS

(Number of SDAs with associated coordination rating)

	High	Medium High	Medium Low	Low
Overall Coordination	98* (1)**	260 (8)	183 (30)	244 (8)
EDD	NA***	187 (20)	227 (16)	205 (12)
GAIN	420 (1)	208 (10)	179 (12)	199 (15)
Economic Development	283 (2)	201 (15)	206 (16)	179 (11)
Private Sector	181 (3)	194 (19)	209 (14)	222 (12)
Community College	NA	212 (6)	207 (24)	199 (18)
LEA/ROP	292 (1)	174 (14)	233 (24)	167 (9)
Community-Based Organization	233 (1)	186 (11)	196 (21)	229 (15)
Unions	NA	98 (1)	182 (7)	209 (39)
Social Service	NA	84 (7)	119 (7)	200 (34)
Local Elected Official	NA	200 (8)	170 (8)	220 (25)
Proprietary Schools	201 (1)	201 (3)	200 (13)	209 (29)

* This figure represents the average total percent by which this group of SDAs exceeded the seven performance standards.

** The number in parenthesis is the number of SDAs in each group.

*** N/A means there were no SDAs in the category

3. RELATIONSHIPS BETWEEN COUNCIL IMPACT AND PERFORMANCE

There does not appear to be a clear relationship between responding to Council initiatives and performance (see Table 9). The difference between SDAs in which Council initiatives were rated as having a high and low impact are small. For the Council's economic development performance standards and marketing initiatives, SDAs where the impact was rated as medium had the highest performance. In the case of the GAIN initiative and Youth initiative, SDAs in which the Council had a low impact performed at a high level.

Overall, there was no consistent relationship between the ratings of the local impact of the Council initiatives and SDA performance.

Table 9

RELATIONSHIP OF COUNCIL IMPACT AND OVERALL PERFORMANCE IN TERMS OF AVERAGE TOTAL VARIANCE FROM STANDARDS

(Number of SDAs with Associated Impact Rating)

Council Initiative	High	Medium	Low
GAIN	191 (6)	203 (13)	208 (23)
Economic Development	204 (5)	217 (15)	204 (25)
Change in Performance Standards	204 (5)	217 (15)	204 (25)
Marketing	191 (9)	217 (15)	204 (25)
Youth	189 (2)	164 (7)	218 (36)

* This figure represents the average total percent by which this group of SDAs exceeded the seven performance standards.

** The number in parenthesis is the number of SDAs in each group.

*** N/A means there were no SDAs in the category.

4. RELATIONSHIPS OF OTHER SDA ADMINISTRATIVE PRACTICES TO PERFORMANCE

Analyses of other SDA administrative practices did reveal some factors that were associated with performance. As Table 10 shows, PICs that had top management from large corporations represented had a higher level of performance than those that did not. SDAs, in which we found some manipulation of the reporting system, also performed slightly higher than those in which we did not find manipulation. However, again, it is important to note that it was not part of the study design to identify report manipulation; it was found incidentally, so this is not a comprehensive measure of manipulation.

One surprising result was that SDAs that did not use any performance contracting had a higher level of performance than those that did. We also found no relationship between SDAs that did and did not offer bilingual programs had slightly lower levels of performance.

Table 10
OTHER SDA PRACTICES AND PERFORMANCE

	Average Performance Score*
Top Local Management	
On PIC	
Yes	210
No	187
Use Performance-Based Contracts	
All Contracts	192
Some Contracts	199
No Contracts	254
Manipulate Reporting	
Yes	215
No	199
Offer Bilingual Programs	
Yes	202
No	200

* This figure represents the average total percent by which SDAs in this category exceeded the seven performance standards.

5. UNSPENT FUNDS

There is a growing concern about the number of SDAs that are unable to spend the funds allocated to them. Our analysis of the data for the 1987 program year provided to the study by JTPD indicates that the average percent of unexpended funds in Title IIA is 32 percent, in Title IIB, 11 percent, and in Title IIIB, 88 percent.

Noting this trend, some observers have speculated that underspending is a strategy for achieving the performance standards. These observers speculate that SDAs have become extremely risk adversive and only fund the programs they are certain will produce high levels of performance. It has been argued that SDAs would prefer to see local needs go unmet, rather than risk funding a program that may not meet the standards.

To test this idea, we correlated the percent of unspent money in the 1987 Title IIA, Title IIB, and Title IIIB with the overall measure of performance described before. Table 11 shows the results.

Table 11

CORRELATION BETWEEN THE PERCENT OF TITLE IIA, IIB AND IIIB FUNDS UNSPENT AND OVERALL PERFORMANCE

Title	Correlation Coefficient
IIA	-.085
IIB	-.079
III	-.36

A correlation of 1.0 would indicate a perfect correlation, meaning that for every dollar of unspent money performance went up one unit. The very small negative correlation coefficents for Title IIA and B indicate that for these programs there is essentially no correlation between unspent money and performance. In the case of Title III, the correlation is negative and slightly stronger. This indicates a slight relationship in which SDAs with larger amounts of unspent money have lower performance, the opposite of the relationship suggested by observers.

Overall, these results indicate that there is no direct link between unspent funds and overall performance.

6. SUMMARY

These analyses illustrate how difficult it is for the Council or the state as a whole to influence SDA performance. The lack of a strong positive relationship between coordination, Council initiatives and performance imply that it is primarily local factors largely beyond the reach of the Council that affect local performance. The practices which had slightly clearer relationships with performance, such as had having top management on the local PIC and manipulating reporting, are primarily local matters beyond the reach of the Council.

Our interviews with SDA administrators confirm this view. SDA administrators primary concern is on meeting and exceeding the performance standards. They believe the most effective method for exceeding the standards is careful contractor selection and close monitoring through performance contracts or other methods. Other actions to improve the system such as active private sector involvement, close links with other agencies, or long term labor market planning are viewed as good things to do, but not effective strategies for improving immediate performance. Thus, these activities are not given the highest priority. Most SDA administrators complete coordination activities mandated by the GCSSP at the SDA level, and leave the actual day to day coordination of services to ad-hoc arrangements made among various local agencies where services are actually delivered. In fact several SDA administrators said that they wanted to be judged solely on their performance on the standards. As long as they met or exceeded the standards, they did not believe the state should monitor or mandate any other actions.

Finally, interpretation of this analysis must be cautious given what we learned about the manipulation of the data that is reported into the system. Linking six percent incentive awards to data self-reported by the SDAs and service providers creates powerful incentives for the manipulation of data, which in turn, limits the reliability and validity of the data for policy analysis.

F. TYPOLOGY OF SDAs

California's network of 51 service delivery areas is the heart of the JTPA system. The size and diversity of the system complicates the policy process significantly. The Council in designing policies must consider SDAs as mammoth as urban Los Angeles County and as small as rural San Benito County. To help the Council anticipate the consequences of policy, and to organize the results of our own field work, we developed a typology of SDAs that put all SDAs into one of four categories. This typology will give the Council an alternative to thinking about the SDAs as either 51 unique units or one homogeneous mass.

1. THE TYPOLOGY

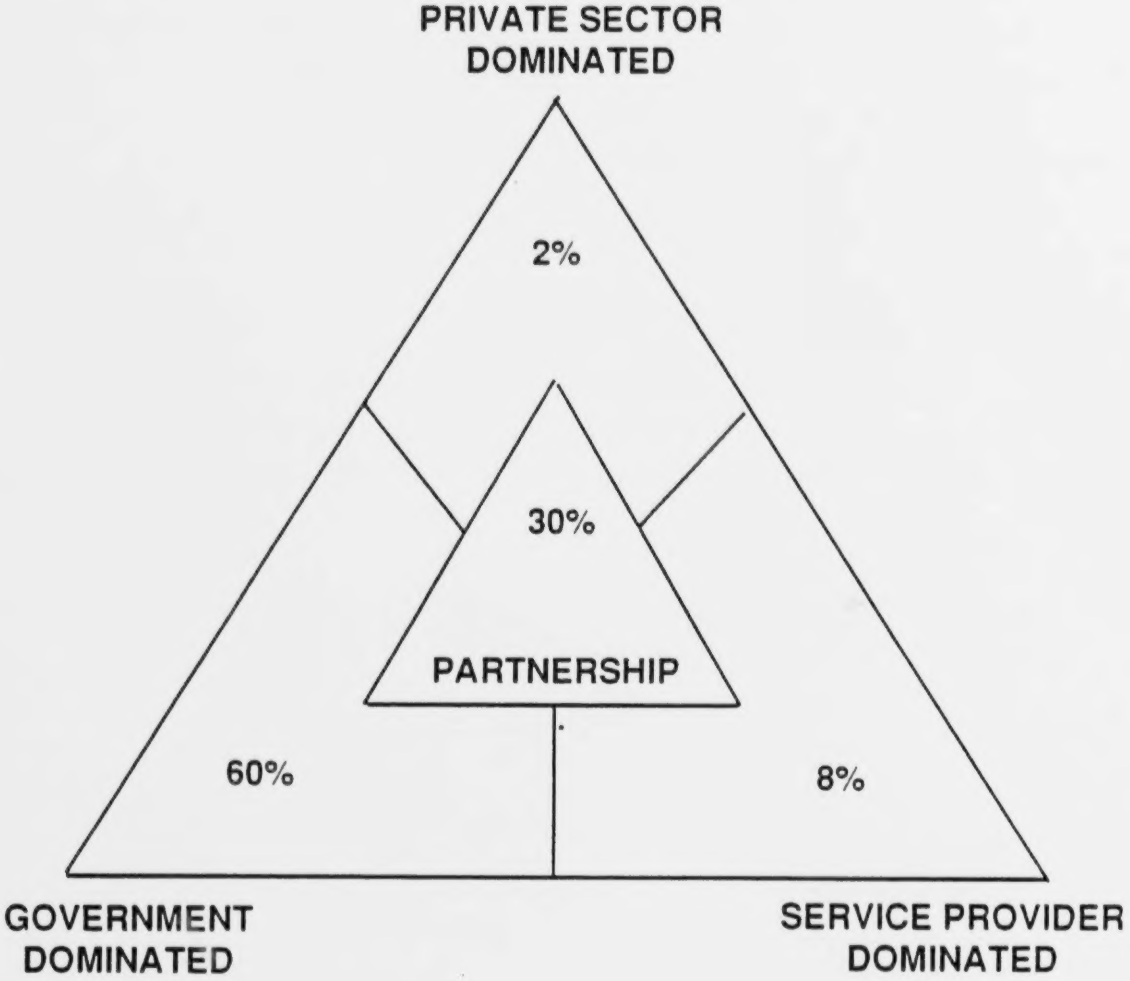
Using the data we collected in the field, we measured the influence of each of three groups -- private sector, government agencies, and service providers on policy within the SDA. In no SDA was any of the three groups completely absent from the policy process; each group exercised some level of influence. To illustrate this complex relationship, we developed a three dimensional scale illustrated in **Exhibit IV-7**. The figure is a triangle with one of the three dominating groups at each of the the three points. If one group dominated the policy process completely, the SDA would be placed on that point of the triangle. Thus, if an SDA was dominated completely by a government agency, it would be located on the lower left point of the triangle. If the three groups had equal influence, the SDA would be located at the center point of the triangle.

To assign each SDA to its proper position on the scale, project staff reviewed the case study file of each SDA. After the review, SDAs were placed on the diagram after a consensus was reached on how influential each of the three groups were within the SDA.

Since no single group completely dominated any SDA, SDAs were located on the diagram in relationship to the influence of the three groups. If an SDA was placed in the center of the diagram, we identified it as a partnership SDA. The areas of the diagram

EXHIBIT IV-7

SERVICE DELIVERY AREA PROTOTYPES


PRIVATE SECTOR DOMINATED
2%
30%
PARTNERSHIP
60%
8%
GOVERNMENT DOMINATED
SERVICE PROVIDER DOMINATED

outside the center were trisected into three equal parts. SDAs within these areas were identified as private sector dominated, government/SDA staff dominated, or service provider dominated.

As the diagram shows, the SDAs were not evenly distributed across the types. Sixty percent of the SDAs were categorized as *government or SDA staff-dominated*, indicating that in the majority of SDAs' policy making is dominated by either the SDA staff or by the administrators of the governmental unit in which it is located. Thirty percent of the SDAs were categorized as *partnerships*, in which public and private sector groups shared power and service providers also had a significant voice in policy. Only eight percent of the SDAs were categorized as *service provider-dominated*, but it is important to note that these SDAs tended to be large urban SDAs. Finally, only two percent of the SDAs were categorized as *private sector-dominated*, indicating that private businesses dominated policy making in only one SDA.

A brief profile of a typical SDA from each category follows.

Government/SDA Staff-Dominated

Typical of government-dominated SDAs is the medium sized city described here. The SDA is a unit within the city's economic development agency with the SDA director reporting to the director of economic development. The city has a very aggressive economic development program which includes a number of redevelopment areas, a semi-public economic development corporation, a small business lending program, and a business retention program. The city manager sees the local JTPA program as one more tool in his/her economic development tool chest. The thrust of all JTPA programs is to make sure that local residents benefit from the city's economic development effort. Some PIC members also sit on the local economic development corporation board. The SDA, which has a good record of meeting performance standards, is far more concerned with using its JTPA resources to achieve its economic development goals than it is with meeting performance standards.

Partnerships

An example of a typical partnership SDA is the large city consortium described here. This SDA has a strong administrator, but local elected officials take an active interest in PIC appointments. PIC members represent a range of local business including high level executives from several large employers. PIC members are active in policy formulation and while most policy is developed by staff and presented to the PIC, PIC members occasionally initiate policy changes themselves, and have in past made policy over staff objections. Local businesses contribute substantial money and equipment to the PIC's summer youth program in addition to taking placements.

Service Provider–Dominated

An example of a typical service provider-dominated SDA is the large city/county consortium described here. In this SDA, the PIC and SDA staff are autonomous entities, i.e., not part of any city or county agencies. The PIC has chosen to contract with a network of local agencies for almost all JTPA services. Contracts are performance-based so the PIC/SDA has essentially externalized the risks inherent in the performance standards. The selection of agencies for funding is designed primarily to distribute JTPA funds in a manner that seems fair to the service provider agencies and minimizes controversy that would result in unwanted public attention to the PIC and SDA administration. As a result, the real constituency of the PIC is not the private sector employers, participants, or the county or city government, but the service providers themselves. Therefore, the policy agenda of this PIC/SDA is set by the needs and concerns of the providers. If service providers are dissatisfied with the PIC's action, they have direct lines of communication to the elected officials who appoint PIC members. This connection allows them to exercise additional influence over SDA policy.

Private Sector Dominated

The private sector-dominated SDA was a consortium of small cities. In this SDA private-sector, PIC members appeared to be firmly in control. They have built strong ties with proprietary (private for profit), vocational schools, and local businesses. In fact, proposals from private businesses receive extra points in the RFP process. The PIC members are more concerned with serving local businesses and residents than they are with meeting state performance standards or responding to policy direction from the state. This concerns the SDA staff, but they accept the PIC's priorities.

2. ANALYSIS

To analyze the effects of these SDA types, we cross tabulated the type of SDA with data on local coordination, impact of Council initiatives, and administrative practices to determine whether there were systematic differences between the types. The results are presented below.

Local Level Coordination

Table 12 shows the percent of SDAs within each type that were rated as having "high", "medium high", "medium low", or "low" levels of local coordination overall. Not surprisingly, partnership SDAs had the highest levels of overall coordination, with seven percent of the partnership SDAs in the "high" category and 13 percent in the "medium high" category. Government/SDA staff-dominated also had relatively high levels of coordination with 20 percent of these SDAs rated as "medium high." Both the service provider-dominated SDAs and the private sector-dominated SDAs were rated as having "medium low" levels of coordination.

Table 12

SDA TYPE AND PERCENT OF SDAs AT EACH COORDINATION LEVEL

(Number of SDAs Associated with Each Coordination Rating)

SDA Type	High	Medium High	Medium Low	Low
Overall	2% (1)	16% (8)	65% (32)	16% (8)
Private Sector Dominated	0% (0)	0% (0)	100% (1)	0% (0)
Service Provider Dominated	0% (0)	0% (0)	100% (4)	0% (0)
Government Dominated	0% (0)	20% (6)	57% (17)	23% (7)
Partnership	7% (1)	13% (2)	73% (11)	7% (1)

A clearer picture emerges when we examine which types of agencies SDAs had high levels of coordination shown in **Exhibit IV-8** on the following page. Overall, the average coordination rating was highest with local EDD offices, community colleges, the private sector and economic development. The pattern changes somewhat as we examine the relationship between type of SDAs and highest coordinating ratings. Partnership SDAs as noted earlier have higher overall levels of coordinations. They had particularly high levels of coordination with EDD, the private sector and community colleges.

The pattern among government dominated SDAs is different. While coordination again is high with EDD, it is also high with community colleges and surprisingly with GAIN programs. These results indicate that government-dominated SDAs may be more willing to make the effort to overcome the obstacles to working with GAIN than other types of SDAs.

Service provider-dominated SDAs had high levels of coordination with only two groups: EDD and community-based organizations.

EXHIBIT IV-8

HIGHEST LEVELS OF COORDINATION
(Percent of SDAs)

Overall	High or Medium High
EDD	76%
Community College	62%
Private Sector	46%
Economic Development	41%
By SDA Type	
Overall	18%
Partnerships	
EDD	93%
Private Sector	87%
Community College	67%
Government	
EDD	67%
Community College	63%
GAIN	38%
Service Providers	
EDD	75%
CBOs	75%

Impact of Council Initiatives

Table 13 shows the percent of SDAs by type on which Council initiatives had a "high" or "medium" level of impact. The data do not reveal a clear relationship between type of SDA and ratings of Council impact. Partnership SDAs were most responsive to Council initiatives. The analysis showed that the Council's GAIN economic development and marketing initiatives had the most impact on partnership SDAs.

Table 13

PERCENT OF SDAs BY TYPE WITH MEDIUM OR HIGH IMPACT ON INITIATIVES

(Percent of SDAs)

Type	Youth	Performance Standards	GAIN Coordination	Economic Development	Marketing
Overall	19%	45%	45%	36%	43%
Partnership	20%	20%	50%	40%	50%
Government Dominated	19%	63%	48%	37%	38%
Service Provider Dominated	25%	25%	0%	25%	50%
Private Sector Dominated	0%	0%	100%	0%	0%

Government/SDA staff-dominated SDAs were most affected by the Council's changes in the performance standards and by the GAIN initiative. They were less affected by the youth and marketing initiatives.

Service provider-dominated SDAs were overall less responsive to Council initiatives. Only the Council's marketing initiative had "high" or "medium high" impact on these SDAs.

The private sector-dominated SDA was responsive to the GAIN initiative, but not responsive to any other Council initiative.

A clear pattern emerges: when a partnership exists, SDAs are most responsive to the Council's policy direction. When government dominates they are most concerned with meeting performance standards. When service providers or the private sector dominates, it appears that local concerns outweigh initiatives and incentives generated at the state level.

SDA Administrative Practices

Partnership SDAs were the most likely (80 percent) to have top level management from major local employers on the PIC. Government/SDA staff dominated SDA's were next most likely (57 percent), followed by service provider dominated SDAs (50 percent).

Performance-based contracting was used about equally by partnership and government-dominated SDAs (83 and 80 percent, respectively). Interestingly, service provider-dominated SDAs were slightly more likely to use performance-based contracts exclusively (67 percent).

Manipulation of the reporting system varied systematically by type of SDA. We observed manipulation of the reporting system in 75 percent of the service provider-dominated SDAs. The proportion declined to 27 percent in government-dominated SDAs and to 14 percent in partnership SDAs.

Sixty percent of all SDAs offered bilingual services. Sixty-seven percent of the partnership SDAs offered bilingual services, compared to 59 percent of the government/SDA staff-dominated SDAs, and only 25 percent of the service provider-dominated SDAs.

Performance

Exhibit IV-9 on the following page shows the average variance from each of the seven performance measures for each type of SDA. The results show that service provider-dominated SDAs had the highest levels of performance with only small differences in performance between the other types.

Reasons for the service provider-dominated SDAs high level of performance are unclear. These SDAs are more likely to use performance-based contracts, which may account in part for their superior performance. It is also important to note that three of the four service provider-dominated SDAs were large urban SDAs and that may have some relation to their performance.

The lack of major differences between the other three groups indicate that SDAs can meet and exceed the performance standards with or without an active local partnership between business and government. These data seem to confirm the belief of SDA administrators. The key to high performance is careful selection and monitoring of contractors, and not other strategies such as working closely with the private sector, coordinating with other agencies, or devoting time and energy to labor market planning.

Unspent Funds

Finally, we examined the relationship between unspent funds and type of SDA. Table 14 shows the average percent of funds unspent in Title IIA, IIB, and III by type of SDA.

EXHIBIT IV-9

SDA TYPE PERFORMANCE MEASURES
IN TERMS OF AVERAGE VARIANCE FROM STANDARD

Measure	Partnership	Government/ SDA Staff	Service Provider	Private Sector
Placement Wage	19*	16	11	25
Adult Entered Employment	24	21	33	16
Youth Entered Employment	51	65	73	71
Positive Termination Youth	12	10	18	14
Cost per Positive Termination Youth	33	30	40	32
Cost per Entered Employment (Adult)	31	30	31	21
Entered Employment Welfare (Adult)	30	28	40	26
Overall Performance	199	201	247	204

_____ = Highest performance on standard

* This figure represents the average total percent by which this group of SDAs exceeded the seven performance standards.

Table 14

AVERAGE PERCENT OF UNSPENT 1987 FUNDS FOR TITLE IIA, IIB, AND III, BY TYPE OF SDA

Type of SDA	% IIA	% IIB	% III
Overall	32%	11%	88%
Partnership	28%	15%	104%
Government/SDA Dominated	33%	11%	94%
Service Provider-Dominated	23%	9%	24%
Private Sector-Dominated	11%	5%	10%

The results indicate that service provider-dominated SDAs had a smaller proportion of unexpended funds in all titles than average. Government-dominated SDAs had a larger proportion of unspent funds than average. Partnership SDAs had an above average proportion of unexpended funds in Titles IIB and III, and a below average proportion in Title IIA.

The reasons behind this pattern are unclear. It may be that service provider-dominated SDAs are under more pressure from the providers they fund to expend all their allocation, while government-dominated SDAs may be more concerned with achieving the standards than with expending all their funds.

V. PRIVATE SECTOR SURVEY

A significant study activity involved an independent assessment across the state of private sector participation in local JTPA programs. Employers were interviewed by telephone to determine what they see as the benefits of JTPA to the employer community, and if JTPA programs have been more responsive to business than earlier employment and training programs.

The survey consisted of 500 employers who had participated in JTPA programs, and another 500 employers who were randomly selected to form a comparison group.

The survey included 16 questions on employer involvement in local employment training programs. A sample questionnaire, with the complete survey results, is found in Appendix 2 to this report.

This section is organized as follows:

- *Summary of Findings*
- *Survey Methodology*
- *Specific Survey Findings.*

A. SUMMARY OF FINDINGS

A few primary findings emerged from the survey. First, we found a relatively high level of awareness of the JTPA program among employers who have not participated. Surprisingly, the survey also found that a higher than expected proportion of the employers who hired JTPA participants were unaware that the employee had been trained through a JTPA program. Another major finding was that there is no significant correlation between employer satisfaction with JTPA and an SDA's performance outcomes as measured by JTPA performance standards. These and other major findings are highlighted below.

Participating Employers Are Often Not Aware of JTPA

Two surprising findings were that 21 percent of respondents from the participant group had never heard of JTPA, and that 42 percent of the participant group reported they never participated in PIC/JTPA programs, despite being on record as participants.

Several factors could account for this result. The respondent might not have been the person in the firm who had been involved with JTPA. Although interviewers asked to talk to the person who does the hiring, ordinarily the person who knows about JTPA, frequent management turnover meant that they often spoke to a person who was new. As a result, the respondent would not necessarily be aware of the firm's past JTPA participation.

Another factor is that in hiring program participants, employers might not have been aware they were hiring from JTPA. During the site visits conducted to PICs/SDAs, the SDAs reported that they market their trainees and not the JTPA. Because training agencies are not stressing JTPA when talking to employers, it is possible that employers may not know they are dealing with a government program. This would be particularly true for employers who engage in direct hires instead of entering into OJT contracts. Even in the case of trainees from the classroom training programs, employers may identify with the training provider (the community college or ROP) and not JTPA.

When asked about the barriers to participation in JTPA, employers cited ignorance of the program as the number one problem. Additionally, when employers who indicated they had used CETA but not JTPA were asked why, most reported it was due to ignorance of JTPA than any other cause.

Overall, there is strong evidence that the programs need to be more fully marketed at the local level. SDAs and service providers should reach out not only to employers who have never used the program, but also to employers who have already participated, but may be unaware of it.

However, it is doubtful that marketing JTPA itself would be the best way of letting employers know about the program. The tactic used at the local level most often is to market the program as a source of immediately available, trained, and job-ready employees. Of the 41 total employers (participants and comparison group) who had used CETA but would not give JTPA a chance, 17 percent said it was because JTPA is a government program, or has too much red tape, or provides too few qualified applicants. If these employers are to use the program, it probably will be through a service provider who sells them a service the employer may never know is paid for by JTPA.

Despite the Lack of Awareness, Employers Are Using the Program

Although there is clearly a need for greater awareness of the program, a large number of employers currently are participating and are pleased with their participation. In contrast to the relatively low level of awareness by the participant group, there was a relatively high level of awareness in the comparison group. Forty-eight percent of the comparison group indicated that they were aware of PIC/JTPA, while 16 percent had actually participated in the program. Of the comparison group, 13 percent had hired from JTPA and nine percent had entered into an OJT contract.

These results are high, considering that this group of respondents represents a random sample of employers. The fact that so many employers from the comparison group had used the program indicates that JTPA is having a noticeable impact in the employer community at large.

Additionally, employers are positive about using the program. Ninety-two percent of all employers who reported having participated in JTPA would do so again. These results indicate that JTPA services to employers might have an even greater impact if marketed more aggressively.

Employer Satisfaction is Not Related to an SDA's Performance

In the survey, partipating employers were asked to rate their level of satisfaction with JTPA participants. Most employers indicated that they were somewhat satisfied with the skill level and job readiness of employees or trainees obtained through the program. The responses employers gave to this question were correlated by SDA to the SDA's overall performance as measured by the performance standards. The result was a nonsignificant negative correlation of -0.0215.

Some Other Findings of Interest

Some of the other findings of the employer survey are highlighted below.

- Forty-one percent of the participant group were from service industries. The other two industries which are major users of JTPA are manufacturing (14 percent of participant employers) and retail trade (11 percent).
- Most of the employers in the participant group who had heard of the program learned about it directly from personal contact with a PIC member or through the PIC/SDA or job training office. On the other hand, members of the comparison group were less likely to learn of it from these sources. This indicates that direct personal contact may be the most effective way of getting employers involved.
- Most employers who participated in a JTPA program did so through either hiring from the program or entering into an OJT contract. Eighty-nine percent of those in the participant group who indicated any kind of participation said it was through hiring, while 73 percent indicated that they had participated through an OJT program.
- Most employers were only somewhat satisfied with the skill level and job readiness of the employees and trainees obtained through the program. Fifty-eight percent of the participant group who recalled participating in the program indicated that they were somewhat satisfied, while 67 percent of the employers in the comparison group who had used JTPA were somewhat satisfied.
- On the other hand, many more employers reported being very satisfied than reported being dissatisfied. Of employers who indicated they had hired or entered into an OJT, 35 percent from the participant group and 29 percent from the comparison group, were

very satisfied. Only seven percent of participant group and three percent of the comparison group who remembered using the program indicated that they were dissatisfied with the level of training and job readiness of the employee or trainee.

- Nine percent of the participant group said they had participated in JTPA by being on an advisory council, such as the PIC or some other local advisory body.

- The most mentioned benefit of participation in PIC/SDA programs was the wage subsidy for OJTs. The next most often mentioned benefit was PIC/SDA programs being a reliable source of new employees. Few employers felt that profitability had increased, although this is somewhat contradicted by their attraction to the OJT subsidy.

- Among employers who had used both JTPA and CETA, JTPA was found to be the same or better than CETA. Thirty-eight percent of these employers felt that JTPA provided more job ready employees, while only seven percent felt that CETA did a better job. Thirty-four percent felt that JTPA was a more worthwhile or efficient use of public funds, while only six percent felt that CETA was better.

B. SURVEY METHODOLOGY

The population for this survey consisted of 1,000 employers. Each of the 10 SDAs that were selected for the case studies provided a list of 50 employers who had either hired a JTPA participant or entered into an OJT contract. This list constituted the participant group. In addition, a list of 500 employers was randomly selected from the same SDAs.

Some substitutions had to be made. Two case studies SDAs were unwilling to provide the list of employers to the study group. These SDAs were replaced by similar non-case study SDAs.

The original plan was to get the list of randomly selected employers for the comparison group from EDD. EDD was unable to provide a useful list. Therefore, employers were selected from the yellow page directories for the case study communities.

The method used to obtain names from the yellow pages was to look up the participant employers in the yellow pages and randomly select another employer from that same section of the yellow pages. In this way, a comparison group that matched the characteristics of the participant group was chosen.

Interviews were completed with 540 employers, a completion rate of 54 percent. Interviews were complete with 57 percent of the participant group and 51 percent of the comparison group.

Two factors were largely responsible for the number of incomplete surveys: (1) employers declined to participate in the survey, and (2) many telephone numbers were disconnected or inaccurate.

C. SPECIFIC SURVEY FINDINGS

Appendix B, at the end of this report, contains summary responses to the primary questions included in our survey of private businesses. Comments on particular results are provided in this section.

(1) *The Typical Business Participating In JTPA Is In The Service Industry.*

Forty-one percent of the businesses in the participant group were from the service industry (as where 63 percent of the comparison group). Other major industries represented in the participant group were:

- *Manufacturing (14 percent)*
- *Retail Trade (11 percent)*
- *Public Services (nine percent)*
- *Finance, Insurance, and Real Estate (six percent).*

(2) *Businesses Participating in JTPA Employed an Average of 191 People.*

Size of firms in the participant group ranged from a high of 417 employees to a low of 18. Firms in the comparison group averaged 67 employees, indicating that somewhat larger employers are likely to use the services of their local PIC training program.

(3) *Businesses Reported That Just Over One-Third Of Their Jobs Were Entry Level.*

Entry level positions averaged 36 percent for the participant group and 35 percent for the comparison group.

(4) *Advertising and Unsolicited Walk-ins Were The Biggest Sources Of New Hires.*

The most commonly reported sources for new hires was advertising and walk-ins. All other methods, including employee referrals, EDD, schools, employment agencies, and unions were used much less. PIC/JTPA hiring was ranked in the lowest quartile, even among the participant group. Only in one SDA did a PIC/JTPA program rank in the second quartile, and this was for the participant group.

(5) *Seventy-Two Percent Of The Participant Group, And 48 Percent Of The Comparison Group Indicated That They Had Heard Of JTPA Or Their Local PIC.*

A higher-than-expected percent of employers, from both groups, knew about JTPA or their PIC.

(6) *Most Employers Learned About JTPA Through The Local PIC/SDA.*

Twenty-three percent of the participant group and 14 percent of the comparison group learned about PIC/JTPA programs through the local PIC/SDA office. Seventeen percent of the participant group and 18 percent of the comparison group learned of them through word-of-mouth. Nineteen percent of the participant group had learned of PIC/JTPA through personal contact with a PIC member. The other major source of information about PIC/JTPA were:

- *Advertising (nine percent participant group, 13 percent comparison group)*
- *Employees (eight percent and three percent)*
- *Chambers of commerce/other business groups (six percent and three percent).*

(7) *Forty-Two Percent Of The Participant Group Were Unaware Of Having Participated In A JTPA Activity.*

In addition, 84 percent of the comparison group reported never having participated in a PIC/JTPA program.

(8) *Most Employers Were Satisfied With Their Participation In JTPA.*

Most employers who remembered using the program reported being somewhat satisfied with the program (58 percent of the participant group and 67 percent of comparison group), while 35 percent of the participant group and 29 percent of the comparison group reported being very satisfied. Only seven percent of the participant group and three percent of the comparison group reported being dissatisfied with PIC/JTPA programs.

(9) *Nearly All Those Who Participated In JTPA The Program Would Do So Again.*

Of those employers who participated in JTPA, the participant group and 94 percent of the comparison group would do so again.

(10) *Twenty-Three Percent Of The Participant Group Reported Having Been Involved In Planning Of A PIC/JTPA Program.*

In addition, five percent of the comparison group indicated that they had been involved in planning a training program. Many respondents, however, considered their provision of OJT to participant as an example of their involvement in planning.

(11) Use Of Company Staff Or Equipment Is The Most Common Way Companies Are Involved In Planning JTPA Programs.

Fifty-four percent of the participant group and 100 percent of the comparison group who reported planning PIC/JTPA programs did so by committing company staff or equipment. The second largest number (48 percent of the participant group and 36 percent of the comparison group) reported using company-developed training material in planning PIC/JTPA programs.

Other ways companies were involved in planning PIC/JTPA programs (participant group percentages are reported first, then comparison group percentages) were:

- *Participation on an advisory council, but not necessarily PIC (31 percent and seven percent)*
- *Design of recruitment program (23 percent and 0 percent)*
- *Identification of the need for a training program (20 percent and seven percent).*

(12) Fifty-Five Percent Of The Participant Group Indicated That They Had Benefited In Some Way From Engaging In PIC/JTPA Programs.

The majority of employers participating in JTPA felt their business had benefitted in some manner from participation. The remaining respondents either indicated that they had not benefited (18) from PIC/JTPA programs or did not respond (110) to this question because they did not recall participating in the programs. The large number of the participant group who did not report receiving any benefit from PIC/JTPA programs is probably a function of the number of employers who did not know of their past participation. Locked at another way, the number of employers who felt they had benefited from PIC/JTPA programs is 92 percent of the number who were aware of their past participation in JTPA.

(13) The Wage Subsidy For OJT Was Most Frequently Mentioned By Those Responding That They Had Benefited From PIC/JTPA Programs.

Of employers responding that they had benefited from PIC/JTPA programs, 70 percent of the participant group and 69 percent of the comparison group mentioned OJT wage subsidy as the greatest benefit. This is despite the fact that more employers were involved in direct hires than OJT contracts [see finding number (8)].

The remaining responses for those employers who felt they had benefited from the program were that PIC/JTPA programs:

- *Are a reliable source of new hires (38 percent of the participant group and 30 percent of the comparison group)*
- *Reduced training costs (15 percent and 21 percent)*
- *Pre-screening of applicants (21 percent and 12 percent)*
- *Increased worker productivity (11 percent and 0 percent)*
- *Help in meeting affirmative action goals (nine percent and 12 percent)*
- *Public relations benefits (nine percent and 12 percent)*
- *Increased profitability (four percent and three percent).*

(14) The Majority Of Employers See Barriers To Participation In PIC/JTPA Programs.

Seventy-two percent of the participant group and 92 percent of the comparison group felt that there were barriers to participation in PIC/JTPA programs. The major barrier was a lack of knowledge by employers of the program (23 percent of participant group, 41 percent of the comparison group). Other barriers mentioned included:

- *Poor job readiness of trainees, cited by 12 percent of the participant group and 10 percent of the comparison group (12 percent and 10 percent)*
- *Too much paperwork (11 percent and 10 percent)*
- *No need to hire entry-level employees (six percent and 17 percent)*
- *Business too small to do much hiring (four percent and 19 percent).*

In addition, these comments were reported:

- *Program operators do not care*
- *Low quality of training*
- *Preference for other sources or uses unions*
- *Takes too long to get an applicant*
- *Does not like or has had a bad experience with government programs*
- *Other barriers.*

(15) ***Most Employers Had Not Hired From CETA.***

Only twenty-five percent of the participant group and 14 percent of the comparison group had hired from earlier programs, such as CETA.

(16) ***Of Those Employers Who Had Hired From CETA, The Majority Felt That JTPA Was The Same As, Or Better Than, CETA.***

Twenty-five percent of the participant group who had hired from both JTPA and CETA said that JTPA had more of a focus on employer involvement than did CETA. Thirty-five percent said the focus was the same, and eight percent felt that CETA was better.

Participant group responses are listed in the following table. Percentages do not add up to 100 because employers could check more than one response to this question. Comparison group responses are not given because few of the respondents could make any comparisons one way or another.

Table 14

JTPA/CETA COMPARISON

	JTPA is:		
Comparison Factor	**Better**	**Same**	**Worse**
Focus on Employer Involvement	25%	35%	8%
Matches Employer Needs	37%	23%	8%
Job Readiness of Participants	38%	25%	7%
Quality of Training	28%	37%	4%
Worthwhile/Efficient Use of Public Funds	34%	27%	6%
Paperwork Burden	14%	49%	6%

(17) ***The Majority Of Employers Who Indicated That They Had Participated In CETA Responded That They Had Not Used JTPA.***

Thirty-eight percent of all employers who had participated in CETA indicated that they had not participated PIC/JTPA programs. Twenty-five percent of the participant group and 64 percent of the comparison group said that they had used CETA but not JTPA.

Of those who said they had used CETA but not JTPA, the majority (54 percent) said it was due to not having had contact with JTPA. Other responses were:

- *Business is now too small to hire (11 percent)*
- *JTPA applicants not qualified, well screened, or easy to get (10 percent)*
- *Uses another public program (ROP,EDD) (seven percent)*
- *Did not like CETA so they would not try JTPA (seven percent).*

VI. TRENDS IN CALIFORNIA'S JTPA PROGRAM

This section examines trends in participant characteristics and placement rates for enrollees in the state's Title IIA, IIB, and III programs for JTPA's first full year of operation (1984-85), and for the most recent year (1986-87). The purpose of this analysis is to determine the extent to which participant characteristics and the level of service to groups have changed from 1985 to 1987.

In this section, we first discuss participant characteristics and how client characteristics have changed between the two program years. We then examine changes in the ratio of participants served to the eligible JTPA-population, and lastly we review changes in placement rates.

Data for these analyses came from the Job Training Partnership Division and reflect reports on the three programs submitted by every SDA.

A. TREND SUMMARY

Overall the proportion of the eligible population served by California's JTPA programs declined from 1984-85 to 1986-87. During that period the proportion of participants who entered employment rose slightly. Within each Title of the Act, there were some differences as discussed below.

The characteristics of participants served by Title IIA programs changed only slightly over the period studied. However, when participant characteristics were matched with the characteristics of the eligible population, dramatic changes in the level of service emerge. From 1984-85 to 1986-87, the proportion of eligible population served declined 7.4 percent. The level of service to high school dropouts served declined 37.5 percent. Conversely, the level of service for two other hard-to-serve groups increased.

Level of service for Hispanics increased 45.8 percent, and level of service to AFDC recipients increased 11.9 percent. During the same period the proportion of Title IIA participants who entered employment increased 8.6 percent.

The pattern in Title III programs was very different. Overall the level of service declined 25 percent between 1984-85 and 1986-87. This may be explained in part by the low levels of unemployment and the fact that many SDAs did not spend substantial proportions of their Title III funds. The decline in service was particularly high for the most disadvantaged groups. The level of service to high school dropouts declined 68.2 percent, for blacks, 44.4 percent, and for AFDC recipients, 50.0 percent. These trends indicate that substantial creaming of applicants may be takinig place in Title III programs. The proportion of Title III participants entering employment was unchanged.

B. PARTICIPANT CHARACTERISTICS

Participant characteristics are reviewed for each of the three major Titles of JTPA: Title IIA, Title IIB and Title III.

1. TITLE IIA

JTPA Title IIA programs provide training opportunities for youth and adults. These programs enrolled over 72,000 individuals in 1985 and almost 78,000 in 1987. Exhibit VI-1 depicts the changes in selected characteristics of participants in Title IIA programs between the two years. Overall, Title IIA programs in these years enrolled slightly more females than males. Forty-five percent of the participants were youth (under 22 years of age), and 60 percent were minority. Over half (56 percent) of the enrollees had a high school education or better, but about nine of every ten individuals were unemployed at the time of enrollment. More than a quarter were receiving welfare (AFDC), and eight percent were veterans of military service.

The far right column of Exhibit VI-1 shows the rate of change in participant characteristics over the two years. The most significant increase is in the proportion of employed individuals (+47.0 percent) who were enrolled in the program, and a corresponding decline in the rate of unemployed individuals enrolled. This is probably explained by the fact that unemployment was lower in 1987 than in 1985, thus more of the eligible population had jobs.

Other noteworthy trends include an increase in the proportion of Hispanics served (+6.7 percent) and a decrease in the proportion of white and other minority enrollees (-0.9 percent). In addition, the proportion of older workers (55 years of age and older) increased (+9.1 percent), as did students (+7.5 percent) and individuals previously not in the labor force (+9.1 percent). The proportion of AFDC recipients and veterans served also show declines.

EXHIBIT VI-1

CHANGE IN PARTICIPANT CHARACTERISTICS BETWEEN 1985 AND 1987 IN TITLE IIA

Population Characteristics	% Total Participants 1985	% Total Participants 1987	Rate of Change 1985-1987
Total	100.0%	100.0%	0.00%
Sex			
Male	48.13	49.32	2.47
Female	51.87	50.68	-2.29
Age			
22-under	44.61	45.00	0.87
22-54	53.42	53.52	0.19
55-up	1.97	2.15	9.14
Education			
H.S. Dropout	22.06	22.53	2.13
Student	19.96	21.46	7.52
H.S. Grad +	57.99	56.64	-2.33
Ethnicity			
White/Not Hispanic	39.54	39.17	-0.94
Black/Not Hispanic	20.60	19.77	-4.03
Hispanic	28.43	30.33	6.68
American Indian	1.57	1.50	-4.46
Asian	9.87	9.08	-8.00
Limited English	7.20	7.04	-2.22
U.I. Recipient	13.50	12.58	-6.81
Labor Force Status			
Employed	6.58	9.67	46.96
Unemployed	68.77	62.66	-8.88
Not in Labor Force	24.78	27.03	9.08
AFDC Recipient	27.97	26.48	-5.33
Veterans (all)	8.27	7.72	-6.65

2. TITLE IIB

JTPA Title IIB programs provide summer work and education opportunities for youth between 14 and 21 years of age. The number of participants in 1985 totaled 67,000 and in 1987 reached almost 68,000. **Exhibit VI-2** shows that overall more males than females were enrolled and that most participants were between 14 and 19 years of age. The great majority were attending school, thus not employed. Over 80 percent of the population were minorities and almost half were AFDC recipients.

Most noteworthy of the participant changes is the decrease in the proportion of high school graduate enrolled (-39.1 percent) and the increase in the student population (+10 percent). The proportion of 14-15 year olds and 20-21 year olds increased (29 and 151 percent, respectively) while that of 16-19 year olds decreased by almost 32 percent.

3. TITLE III

Targeted to workers displaced from their jobs, Title III programs enrolled 6,571 individuals in 1985 and 5,470 in 1987. The majority were white males between 22 and 54 years of age with a high school education, as may be seen from **Exhibit VI-3** on the following page. About one in seven Title III participants were veterans and ten percent were limited English speakers. At the time of enrollment over 80 percent were unemployed and about 60 percent were collecting Unemployment Insurance. Few (less than six percent) were receiving welfare.

After analyzing the rate of change in client characteristics, the most significant decrease was in the number of high school dropouts served (-31 percent), as well as the proportion of black (-32 percent) and Hispanic participation (-23 percent). The proportion of enrollment that was white increased by 25 percent. While the percent of participants considered as having a labor force status of "not in the labor force" (i.e., discouraged workers who were not actively seeking work), when they enrolled was very small, the rate of increase in this group 93.5 percent over the two years analyzed, indicating a slight degree of success by Title III in reaching a hard-to-serve group.

EXHIBIT VI-2

CHANGE IN PARTICIPANT CHARACTERISTICS BETWEEN 1985 AND 1987 IN TITLE IIB, SUMMER YOUTH

Population Characteristics	% Total Participants 1985	% Total Participants 1987	Rate of Change 1985-1987
Sex			
Male	52.62	51.54	-2.05
Female	47.38	48.46	2.28
Age			
14-15	30.88	39.83	28.99
16-19	62.00	42.35	-31.69
20-21	8.08	10.88	151.55
Education			
H.S. Dropout	3.15	2.55	-19.18
Student	80.03	87.93	9.87
H.S. Grad +	15.62	9.52	-39.05
Ethnicity			
White/Not Hispanic	18.79	17.26	-8.15
Black/Not Hispanic	27.59	26.62	-3.52
Hispanic	35.11	36.54	4.08
American Indian	1.33	1.14	-14.54
Asian	17.18	18.44	7.35
Limited English	6.41	4.90	-23.56
U.I. Recipient	1.35	0.30	-77.78
Labor Force Status			
Employed	1.50	1.52	1.11
Unemployed	17.91	29.79	66.33
Not in Labor Force	80.59	68.69	-14.76
AFDC Recipient	43.25	45.53	5.28
Veterans (all)	0.27	0.30	12.31

EXHIBIT VI-3

CHANGE IN PARTICIPANT CHARACTERISTICS BETWEEN 1985 AND 1987 IN TITLE III

Population Characteristics	% Total Participants 1985	% Total Participants 1987	Rate of Change 1985-1987
Sex			
Male	54.44	56.58	3.93
Female	45.56	43.42	-4.70
Age			
22-under	4.81	3.71	-22.90
22-54	85.54	85.94	0.47
55-up	9.60	10.20	6.25
Education			
H.S. Dropout	23.07	15.94	-30.91
Student	1.37	0.42	-69.34
H.S. Grad +	83.17	83.58	0.49
Ethnicity			
White/Not Hispanic	43.83	54.79	25.01
Black/Not Hispanic	16.04	10.95	-31.73
Hispanic	28.53	21.97	-22.99
American Indian	0.88	1.17	32.95
Asian	10.71	11.12	3.83
Limited English	9.31	8.99	-3.44
U.I. Recipient	56.62	60.05	6.06
Labor Force Status			
Employed	11.89	14.48	21.78
Unemployed	85.51	80.68	-5.65
Not in Labor Force	2.60	5.03	93.46
AFDC Recipient	5.69	2.94	-48.33
Veterans (all)	14.46	18.08	25.03

C. LEVEL OF SERVICE

In this section we analyze present our analysis of how the JTPA population served in Title IIA and Title III programs compares to the proportion of the state's population that is eligible to participate in these programs. We also discuss the change in the level of service to groups between the 1985 and 1987 period.

1. TITLE IIA

Exhibit VI-4 clearly shows that JTPA IIA programs are serving a relatively small number of participants when compared to the total eligible population (a nationwide trend not unique to California). For example, for every 100 people who are eligible to participate in Title IIA programs, JTPA served 2.7 participants in 1985 and slightly fewer (2.5) in 1987. The right-hand column shows that JTPA's level of service, when compared to the overall eligible population, decreased in the two years by a rate of 7.4 percent. In other words, a lower percent of the eligible population was served.

An analysis of the level of service by participant characteristic shows service declining to all but four groups between 1985 and 1987. The exceptions are males (+3.4 percent), Hispanics (+45.8 percent) and AFDC recipients (+11.9 percent) who were all served at higher rates over the two year period, and with veterans who experienced basically no change in level of service. Service to all other participant groups declined over the two years, with service to all but blacks (-2.6 percent) and Asians (-4.9 percent) declining more than the average (-7.4 percent).

In addition to the JTPA mandate that 40 percent of Title IIA funds be spent on youth under 22 years of age, the Act also specifies that welfare recipients and school dropouts be served in proportion to their presence in the eligible population. According to Exhibit VI-4, the level of service to AFDC recipients increased, but service to school dropouts decreased by over a third (-37.5 percent). While dropouts are increasing to critical proportions, and despite a slightly higher percent of dropouts being served in

EXHIBIT VI-4

CHANGE IN RATIO OF PARTICIPANTS TO PER 100 POPULATION ELIGIBLE BETWEEN 1985 AND 1987 IN TITLE IIA

Population Characteristics	Participants Per 100 Eligible 1985*	Participants Per 100 Eligible 1987	Rate of Change 1985-1987
Total	2.7	2.5	-7.4%
Sex			
Male	2.9	3.0	3.4
Female	2.5	2.2	-12.0
Age			
22-under	7.0	5.6	-20.0
22-54	3.1	2.1	-32.3
55-up	0.4	0.3	-25.0
Education			
H.S. Dropout	2.4	1.5	-37.5
Ethnicity			
White/Not Hispanic	2.3	1.9	-17.4
Black/Not Hispanic	3.9	3.8	-2.6
Hispanic	2.4	3.5	45.8
American Indian	3.6	3.2	-11.1
Asian	4.1	3.9	-4.9
AFDC Recipient	4.2	4.7	11.9
Veterans (all)	2.1	2.1	0.0

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* These figures indicate the number of participants seved 100 people in the eligible population. For example, in 1985 for every 100 eligible males 2.9 were served.

Title IIA in 1987 than in 1985 (see Exhibit VI-1), the gap between the number being served and the eligible population is broadening, a phenomenon that does not bode well for JTPA's ability to effect change among this group.

2. TITLE III

Exhibit VI-5 shows similar trends in the ratio of participants served to the eligible population for JTPA's displaced worker programs. Quite evident is the small portion of Title III participants served compared to the overall eligible population. The service rate decreased by 25 percent over the two years, from .24 per hundred in 1985 to .18 in 1987. With the exception of veterans, who received a higher level of service in 1987 than in 1985, service to all other participant groups declined, with considerable declines in the ratio of participants among women (-35.0 percent), blacks (-44.4 percent), and AFDC recipients (-50.0 percent).

3. SUMMARY

The previous two exhibits clearly show that the proportion served of the eligible Title-IIA and Title-III population are decreasing. One explanation for this is that JTPA alone does not provide the funds for an increased level of service in relative proportion to the increase in the eligible population. Another plausible explanation, however, deals with client selection or creaming, i.e., selecting only those applicants who demonstrate the best chance for success. There is some evidence in this analysis to suggest creaming of participants. For example in the Title IIA program, the proportion of the eligible dropout population served declined 37.5 percent. Conversely, there is evidence that service to other high risk groups has increased. For example, in the Title IIA program the proportion of eligible Hispanics served increased (+45.8 percent) as did the proportion of AFDC recipients (+11.9 percent).

EXHIBIT VI-5

CHANGE IN RATIO OF PARTICIPANTS TO PER 100 POPULATION ELIGIBLE BETWEEN 1985 AND 1987 IN TITLE III

Population Characteristics	Participants Per 100 Eligible 1985*	Participants Per 100 Eligible 1987*	Rate of Change 1985-1987
Total	0.24	0.18	-25.0%
Sex			
Male	0.29	0.24	-17.2
Female	0.20	0.13	-35.0
Age			
22-under	0.07	0.04	-42.9
22-54	0.45	0.24	-46.7
55-up	0.18	0.10	-44.4
Education			
H.S. Dropout	0.22	0.07	-68.2
Ethnicity			
White/Not Hispanic	0.23	0.19	-17.4
Black/Not Hispanic	0.27	0.15	-44.4
Hispanic	0.21	0.18	-14.3
American Indian	0.18	0.17	-5.6
Asian	0.40	0.34	-15.0
AFDC Recipient	0.08	0.04	-50.0
Veterans (all)	0.33	0.35	6.1

* Rounded to nearest 1/100. These figures indicate the number of participants seved 100 people in the eligible population. For example, in 1985 for every 100 eligible males 2.9 were served.

The existence of creaming is difficult to provide empirically. Some observers say that the characteristics of participants are determined by factors other than decisions of program operators. These include the number of eligibles who are already working and do not apply to JTPA, or those eligibles who are not actively seeking employment (discouraged workers), or ones with family responsibilities or illnesses.

Our interpretation of the trends in shrinking penetration rates suggest that a creaming process does exist, driven by increases in the performance standards and the emphasis on placement as the sole determinant of success. As more and more of the risks are passed on to program operators, they in turn, become more selective. Although recruitment goals are set in the SDAs for targeted groups, such as women, minorities, and welfare recipients, service providers have the leeway to select the most qualified individuals within those groups. Individuals similar in characteristics (e.g., age, sex, race) do vary in their employability, a phenomena not measured by the enrollment data presented here. With JTPA providing a decreased level of service to the eligible population, as Exhibits IV-4 and IV-5 show, it suggests that the providers are selecting the most qualified at the expense of those most-in-need. Our field work reported in other sections support this conclusion.

D. PLACEMENT RATES

In this subsection we analyze the changes in placement rates in Title IIA and Title III programs between 1985 and 1987.

Of all the Title IIA termanees served in 1985, 60 percent entered employment; in 1987, 65 percent of the termanees got jobs, reflecting a nine percent increase in the placement rate, as may be seen from **Exhibit VI-6** on the following page. The increase in the rate of entered employment was found across all participant groups, with the largest increases among youth (16-21 years of age), American Indians, veterans, and discouraged workers (those not in labor force at time of enrollment). The rate of increase of this last group was nearly double the total average rate.

Although Hispanics increased in representation among the Title IIA participant group between 1985 and 1987 (see Exhibit VI-1), the increase in their rate of entered employment was less than any other minority group.

Among the Title III population, about 72 percent entered employment for both years analyzed as shown in **Exhibit VI-7**. Whereas all groups in Title IIA programs increased their rate of employment, the results in Title III are mixed. Noteworthy changes include an increase in the employment rate of males, participants over 55 years of age, and blacks and Asians. Noteworthy decreases in employment are seen for females (-4.8 percent), high school dropouts (-19.1 percent), Hispanics (-7.5 percent), American Indians (-11.6 percent), limited English speakers (-18.7 percent), discouraged workers (-27.8 percent), and AFDC recipients (-14.8 percent).

EXHIBIT VI-6

CHANGE IN EMPLOYED/TERMINATIONS BY PARTICIPANT CHARACTERISTICS BETWEEN 1985 AND 1987 IN TITLE IIA

Population Characteristics	% Entered Employment 1985	% Entered Employment 1987	Rate of Change 1985-1987
Total	59.6%	64.7%	8.6%
Sex			
Male	61.3	65.8	7.3
Female	58.1	63.5	9.3
Age			
22-under	53.3	61.3	15.0
22-54	67.4	72.2	7.1
55-up	67.6	72.3	7.0
Education			
H.S. Dropout	54.9	60.8	10.7
Student	39.4	44.1	11.9
H.S. Grad +	68.5	75.8	10.7
Ethnicity			
White/Not Hispanic	62.5	66.5	6.4
Black/Not Hispanic	56.1	62.8	11.9
Hispanic	59.5	63.7	7.1
American Indian	50.8	60.4	18.9
Asian	60.3	65.4	8.5
Limited English	62.7	66.4	5.9
U.I. Recipient	69.8	77.5	11.0
Labor Force Status			
Employed	68.5	77.4	13.0
Unemployed	64.5	69.9	8.4
Not in Labor Force	43.7	51.2	17.2
AFDC Recipient	49.0	54.4	11.0
Veterans (all)	65.8	75.0	14.0

EXHIBIT VI-7

CHANGE IN EMPLOYED/TERMINATIONS BY PARTICIPANT CHARACTERISTICS BETWEEN 1985 AND 1987 IN TITLE III

Population Characteristics	% Entered Employment 1985	% Entered Employment 1987	Rate of Change 1985-1987
Total	71.7%	71.7%	0.0%
Sex			
Male	71.9	74.4	3.5
Female	71.5	68.1	-4.8
Age			
22-under	72.8	72.9	0.1
22-54	73.1	70.9	-3.0
55-up	60.0	61.3	2.2
Education			
H.S. Dropout	70.2	56.8	-19.1
Student	65.2	77.3	18.6
H.S. Grad +	71.5	75.1	5.0
Ethnicity			
White/Not Hispanic	76.1	73.4	-3.5
Black/Not Hispanic	61.9	73.4	18.6
Hispanic	72.1	66.8	-7.4
American Indian	81.3	71.9	-11.6
Asian	67.9	75.4	11.0
Limited English	73.3	73.0	-0.4
U.I. Recipient	73.3	73.0	-0.4
Labor Force Status			
Employed	87.3	75.9	-13.1
Unemployed	70.8	72.7	2.7
Not in Labor Force	71.7	51.8	-27.8
AFDC Recipient	65.0	55.4	-14.8
Veterans (all)	71.7	72.8	1.5

We believe three factors may have influenced the increase in employment. First, unemployment declined substantially statewide during the period analyzed, increasing the demand for workers. Second, our field observations convinced us that service providers have become more sophisticated in their ability to preselect participants based on their potential for success. Finally, there is some evidence that the reporting manipulation discussed in the local level analysis is increasing as service providers become subject to stricter performance-based contracts, leading to an increased number of reported placements.

VII. CALIFORNIA 2000

This section provides general information on the future population to be served by California's job training and employment programs.

According to the Hudson Institute, five certainties will dominate training and employment policies nationwide at the end of the century (Johnson, 1987). First, population growth will have slowed to an all-time low since the 1930s, thus similarly slowing the growth of the labor force. Second, by 2000 the age of the average American will rise substantially, meaning that fewer young workers will be available to fill the traditional "first-time worker pool." Third, minority groups (chiefly Hispanics, Asians, and Blacks) will represent a growing share of the American workforce -- particularly young, first-time workers. Fourth, a continuing stream of immigrants from Asian and Latin American nations will fill niches in the American economy. Finally, women's participation in the workforce will be at an all-time high.

A. CALIFORNIA'S DEMOGRAPHIC CHANGES

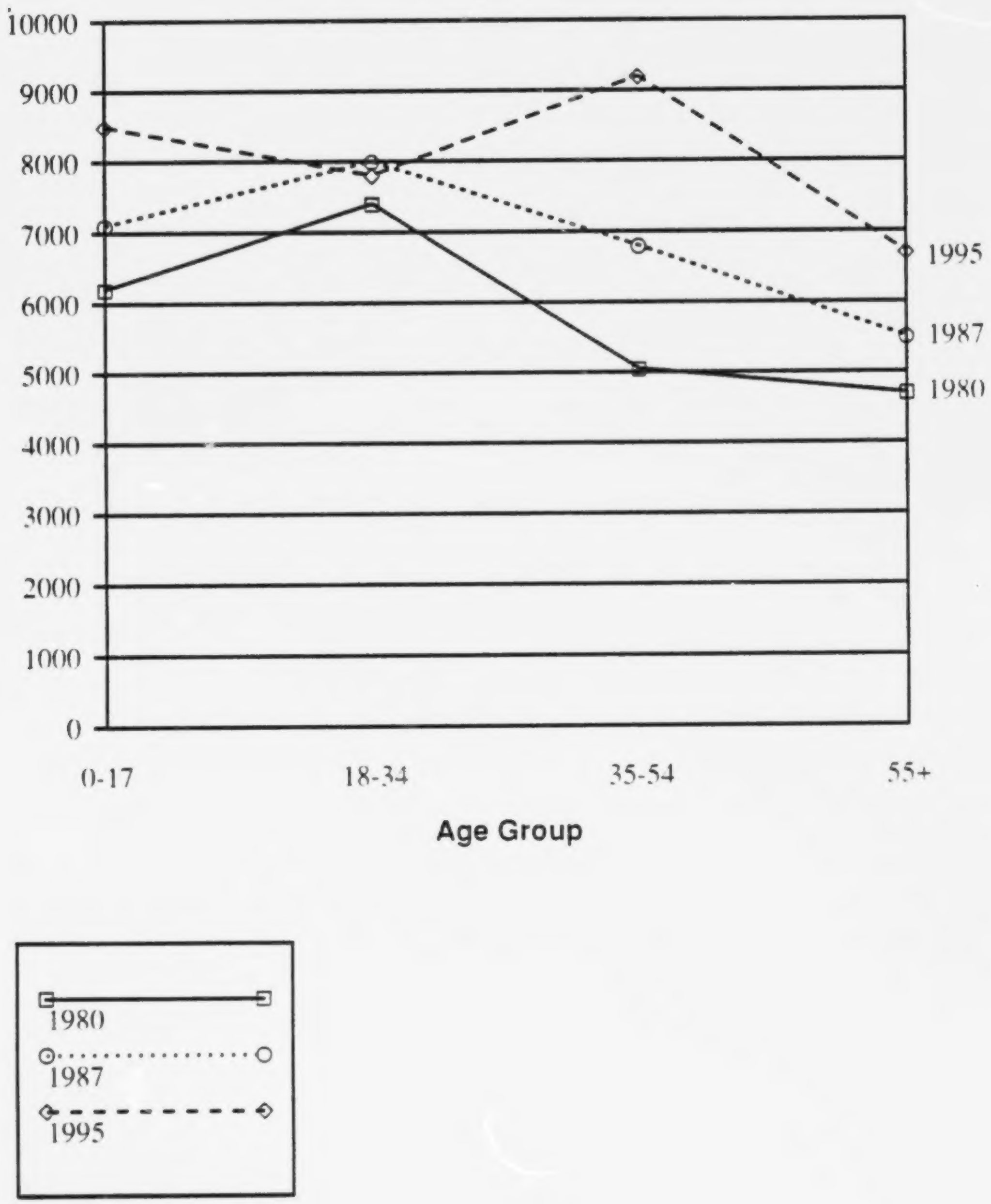
Interestingly, California mirrors the national pattern in many ways, but with some notable exceptions. Representing more than ten percent of the nation's population, California's economy by itself would quality the state as a major world power in its own right. Taking in- and out-migration, and projected birthrates and mortality into account, California is expected to grower faster than the nation as a whole between now and 1995, expanding its population by 17 percent (Center for Continuing Study of the California Economy, 1988). By 1995, the state's population is projected to stand at 32 million.

Like the rest of the nation, California's workforce is also becoming middle-aged. **Exhibit VII-1**, on the following page, shows how yesterday's baby-boomers (the 1980 cohort) will mature into the middle-agers of 1995. In fact, the 35 to 54 year-old cohort will grow at a rate of 38 percent between now and 1995, four times faster than the 18 to 34 year-old cohort, and twice as fast as those under 17 years.

Two implications become immediately clear. First, the traditional entry-level worker pool will be diminished substantially. Second, the state's population's middle-age bulge will no doubt usher in some added changes. For instance, the Center for Continuing Study of the California Economy notes that the rates of household formation are at an all-time high in California, exceeding the national rate. Particularly in the older segment of the 35-54 year-old cohort, households are expected to increase by nearly 50 percent. Further, real income is expected to rise substantially for this cohort, which translates into greater buying power.

Beneath this surface, the complexion of California's population is projected to change radically. A glance at Table 1 quickly shows that among 18-year olds (those who traditionally comprise a large share of the entry-level workforce), the percent of Whites is predicted to drop by more than half between 1970 and 2020 from 76 percent to 36 percent (Solomon, 1988). Eighteen-year old Blacks are predicted to increase slightly from seven percent to ten percent. Of great significance is the increase in 18-year old Hispanics from 13 percent of the cohort's population in 1970 to 38 percent in 2020. Finally, the proportion of Asians in the 18-year old cohort, will more than quintuple from three percent in 1970 to 16 percent in 2020. According to the Center for Continuing Study of the California Economy, Hispanics and Asians will comprise 70 percent of California's population growth between now and 1995.

EXHIBIT VII-1



California Population
By Age Group and Year

Table 1
18-YEAR-OLD POPULATION BY ETHNICITY
(1970, 1988, 2020)

Ethnicity

	White		Black		Hispanic		Asian		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Total
1970	281,062	76%	26,795	7%	49,355	13%	12,766	3%	369,978
1988	233,774	53%	41,442	9%	118,621	27%	43,865	10%	437,702
2020	173,032	36%	49,342	10%	179,394	38%	74,005	16%	475,773

However, natural increases in the population are not projected to be the main source of new Californians -- rather the chief source is immigration. Table 2 shows that in the recent past, between 1980-1987, legal and undocumented immigration produced 49 percent of the state's population growth. Domestic migration added another ten percent, while, as Table 2 shows, natural population increases accounted for only 41 percent of the population gain (Center for the Continuing Study of the California Economy, 1988). There are no reasons to believe that the numbers of new immigrants will decline in the short-term future. The Hudson Institute's William Johnson thinks that despite recent legislation aimed at stemming the flow of illegals, 150 million will likely enter the country between now and 2000.

Table 2
MIGRATION AS SOURCE OF ANNUAL POPULATION GROWTH
(1980-1987)

	Number	% of Total
Legal Immigration	155,000	30%
Undocumented Immigration	100,000	19%
Domestic Migration	52,000	10%
Total Immigration and Migration	307,000	59%
Natural Population Increase	211,000	41%
Total Population Growth	518,000	100%

In 1982, 30 percent of all legal immigrants came from Latin American countries (including Mexico and the Caribbean). By 1986, the percentage had grown to 40 percent. Asians, on the other hand, who accounted for 53 percent of all legal immigrants in 1982, delined somewhat to 45 percent in 1986 (Immigration and Naturalization Bureau, 1988). Clearly, however, these two groups accounted for the lion's share of all immigration in the early- to mid-1980s and are expected to continue to do so. No doubt because of its proximity to Mexico and other Pacific Rim nations, and because of its already established Asian and Latin American sub-cultures, California is an attractive place for many new immigrants to settle. As of 1986, 38 percent of all Asian immigrants settled in California, as did 70 percent of those from Latin American nations (Solomon, 1988). These immigrants will have a long-term and substantial impact on California's culture and economy. As Hodgkinson observes, the state's future rests on the people who stay, and Hispanics in particular stay at an unusually high rate (75 percent, between 1975-1980, compared with 22 percent of Whites) (Hodgkinson, 1986).

Finally, at the national level, women will continue to participate more fully in the labor force, and comprise an increasingly large share of its workers. According to Johnson, women's participation rates have grown from 34 percent in 1950 to 52 percent in 1980. They are expected to reach 61 percent by 2000, with women holding 48 percent of the jobs in the economy (Johnson, 1987). In California, more than half of all women who have small children are in its workforce (Center for the Continuing Study of the California Economy, 1988).

At least two issues emerge from the data presented above, without considering the condition of California education, or the demands of future labor markets. First, what is likely to be the impact of a middle-aged workforce in a rapidly-changing world? Will it be fresh and flexible enough to manage change, or will it dampen the forces for change and renewal? How will large numbers of immigrants be accommodated in a top-heavy labor force? What opportunities will exist for upward occupational mobility?

Second, what will be the impact of a relatively small cohort of traditional entry-level age workers who are chiefly minority? These men and women, Hispanics in particular, represent California's future. Today minorities are overrepresented in lower-level, lower-paying jobs, and they are more likely to have lower levels of reading, writing, and arithmetic abilities. Further, college-going rates for Blacks and Hispanics are substantially lower than those of Whites, thus giving some clues as to their likely paths into the labor force. Hodgkinson, Solomon, and others suggest a renewed and expanded role for the schools in identifying and developing talent among California's minority population. We now turn to a brief examination of the condition of California education.

Since the press for "excellence" began in the early 1980s, California's elementary and secondary schools have enjoyed modest, sustained progress. Expenditures on students have increased 37 percent since 1982, and are now just $16 below the national average (Conditions of Education in California, 1986-87). Test scores in the "basics" have risen, and elementary students rank somewhat above the national average, while secondary students rank at or below national standards. In response to public pressures for increased emphasis on the "basics", secondary students are enrolling in greater numbers of traditionally academic courses -- sciences, mathematics, and foreign languages.

Despite these gains, there is little doubt that California's schools are going to be heavily taxed as its school-age population changes dramatically in ethnic makeup, and as the incidence of "high risk" students increases. For instance, in 1970, minorities comprised 27 percent of all enrollments in California schools. A decade later, they accounted for 43 percent -- a 15 percent increase in one decade (Hodgkinson, 1986). Today, in Los Angeles schools, Whites comprise only 15 percent of early elementary enrollments, while Hispanics account for 60 percent (Hodgkinson, 1986). There is little doubt that as immigration from south of the border, and from Pacific Rim nations increases, California schools will enroll increasing numbers of students from a variety of cultures who speak languages that are foreign to most Californians' ears. Also, the evidence suggests that the proportion of "high-risk" youths is increasing about four percent each year -- more children are coming to school from backgrounds of poverty, crime, and alcohol and drug abuse. It is little wonder that dropout rates continue to climb, particularly in big city schools where less than half of today's minority students fail to finish high school.

It is well documented that students who fail to finish high school stand a substantially higher chance of being unemployed than do graduates. This relationship is particularly acute among young Blacks. According to Young, nationally, 16-24 year-old Blacks who failed to finish high school in 1982 were nearly 1½ times more likely to be unemployed as those who graduated (53 percent compared with 36 percent) (Young, 1983). And, as the State Job Training Coordinating Council's report, *Tomorrow's Workers at Risk*, points out, that as of 1984, unemployment for all youths is already high with Blacks having this highest (32 percent), followed by Hispanics at 23 percent, and Whites at 18 percent (State Job Training Coordinating Council, 1986). Further, at the other extreme of opportunity, college-going rates for Asians and Whites are 64 percent respectively, but for Blacks the rate is 40 percent and for Hispanics 34 percent (Solomon, 1988).

Despite the best efforts of public schools, these trends portend a future in which many young people will leave school lacking the necessary skills to contribute to a dynamic and changing economy.

B. TOMORROW'S ECONOMY

Most predictions agree that in terms of absolute growth, at least half of new jobs between 1984 and 2000 will come from services, management, administrative support, marketing, and sales (Johnson, 1987). Rapid growth is also expected in high-tech manufacturing. But because manufacturing for new technologies represents fewer jobs in absolute numbers, the impact on employment will be less than it will be for services, management, administration, and sales. While there is some disagreement as to the magnitude of employers' demand for increased workforce literacy, most observers agree that job demands for basic literacy, and the ability to do mathematics will increase (Johnson, 1987). A study of Los Angeles employers reported that despite the introduction of new technologies, employers were chiefly concerned with entry-level workers' socialization -- their responsibility and productivity on-the-job (Wilms, 1988). Finally, Johnson notes that Blacks and Hispanics are currently overrepresented in urban areas in jobs in declining industries.

California differs from this national portrait largely by emphasis. **Exhibit VII-2**, on the following page, shows the distribution of jobs in the California economy as of 1986, which approximates the national pattern, with sales, administrative, and technical support categories representing nearly a third (31 percent) of all jobs. Readers should also note the disproportionately heavy representation of women in those jobs. Next, managerial and professional jobs represent more than a quarter of all jobs (26 percent), followed by service occupations at 13 percent. The Center for the Continuing Study of the California Economy reports rising literacy requirements as the state's technological is predicted to base grow. Also, like the pattern nationally, Asians, Blacks, and Hispanics are underrepresented in higher-skilled occupations. This takes on added importance in the face of predictions that most of the labor force growth is projected to come from Asians and Hispanics, particularly immigrants (Center for the Continuing Study, 1988).

An examination of Southern California's labor market helps to focus attention on how these dynamics are likely to manifest themselves in the years ahead. Scott and Paul, two UCLA geographers analyzed patterns of labor market and population growth in seven counties that stretch from Santa Barbara in the north to San Diego in the south

EXHIBIT VII-2

CALIFORNIA'S OCCUPATIONAL STRUCTURE IN 1986
BY CATEGORY AND SEX
(in 000's)

Occupational Group	Total	% of Male	% of Female
Managerial and Professional	3,464	27%	25%
Sales, Administrative, Technical Support	4,123	20%	46%
Service Workers	1,711	10%	16%
Farm Workers	387	4%	1%
Precision and Craft Workers	1,660	20%	3%
Operators and Laborers	1,982	19%	9%
Total	13,327	100%	100%

Source: Center for the Continuing Study of the California Economy, *California Population Characteristics*, p. 43.

(Scott and Paul, 1988). This area is by no means only symbolic as it is of substantial economic importance in its own right. This area's 16 million inhabitants represent more than half of the state's population and an equal share of the state's labor market. With its 1.25 million manufacturing workers, this region is the most important manufacturing hub of any comparable geographic region in the nation. Within manufacturing, employment growth is expected to be felt most keenly in three groups that by themselves represent 57 percent of all employment. These groups are discussed below.

- **Mass manufacturing** (automobiles, steel, petroleum, and tires) which even in its heyday represented only seven to eight percent of the Southern California economy, declined 16 percent between 1970 and 1985. Much of mass manufacturing's decline is attributed to foreign competition. It now represents only three percent of all employment and is projected to decline still further.
- **Specialty crafts** (clothing, jewelry, leather goods, furniture, printing, and motion picture production) which grew 81 percent between 1970 and 1985. Production workers in these industries are disproportionately women who are Hispanic immigrants. Specialty crafts are characterized by sharp divisions of labor between owners and managers and low-wage, typically non-union workers.
- **High-tech manufacturing** (communications, electronics, computers, and guided missiles) which grew 26 percent between 1970 and 1985. These establishments range from fancy R&D facilities to small shops that turn out standard electrical parts. Much of the growth in high-tech manufacturing is dependent on defense and space spending, of which Southern California gets a large share. For instance, the seven Southern California counties account for 77 percent of all prime defense and space contracts, half of which go to Los Angeles County alone.

Clearly, the employment impact of these industries is felt far beyond manufacturing because of the need for white-collar service, sales, professional, and managerial jobs to support them.

According to Scott and Paul, high-tech and specialty manufacturing are characterized by flexible manufacturing processes, which allow owners and managers to shift rapidly with changing market conditions. As one would expect, establishments in these industries are more likely to be non-union, or have short contracts, more part-time and temporary work, and a heavy reliance on external labor markets rather than promoting from within. Further, these industries are heavily populated by immigrants, particularly Hispanics in specialty crafts and Asians in high-tech. Like in the rest of the U.S., Blacks are most heavily represented in the older mass production manufacturing, which is in steady decline. The relatively few workers who are highly skilled enjoy substantial occupational mobility because of the high demand. Interestingly, according to Scott's and Paul's calculations, the fastest growth is in small establishments -- those with less and 100 employees, and the slowest (actually a decline of five percent) in firms with 500 or more employees.

What seems to be the implications of these shifts in the Southern California manufacturing sector? Can any generalizations be drawn? First, the average number of hours worked by production workers declined three percent since 1970. Second, average wages have fallen steadily since 1970 -- 10.4 percent for production workers, and 6.8 percent for non-production workers. Third, unionization rates in these seven counties has declined more rapidly between 1970 and 1983 than the 37 percent decline nationally.

Scott and Paul tentatively concluded that manufacturing employment has undergone a quietly profound restructuring since 1970, diminishing the supply of stable, high-wage jobs, and in the press to become more flexible, increasing the supply of less-stable, lower wage jobs.

C. CONCLUSIONS AND IMPLICATIONS FOR POLICY

The chief findings and conclusions from this analysis can be summarized as follows:

The Population

- *California's workforce is becoming middle-aged*
- *Women will play an increasingly important role*
- *The traditional entry-level pool of young workers is shrinking*
- *The makeup of the entry-level worker pool will soon comprise a majority of Asians, Hispanics, and Blacks*
- *Immigrants will continue to flow into California, providing fresh recruits for entry-level jobs.*

The Educational System

- *Big-city California schools are quickly becoming dominated by minority students*
- *The school population of "high-risk" students, those from backgrounds of poverty, crime, and drug and alcohol abuse is increasing*
- *Dropout rates are rising and are predicted to increase*
- *Dropping out translates into unemployment, particularly for Blacks and Hispanics*
- *Children of immigrants with their unique needs will comprise a growing school population*
- *College-going rates remain low for Blacks and Hispanics*
- *The public schools' resources will be taxed heavily to meet these new demands, and no added revenue sources are in sight. Additionally, serious teacher shortages will intensify the problem.*

Labor Market Characteristics

- *The outlook for educated or highly skilled workers continues to be bright*
- *Demands for entry-level workers will rise*

- *Literacy and computational job requirements will rise*
- *Blacks and Hispanics tend to cluster in declining occupations in urban areas*
- *Manufacturing occupations will likely continue to be restructured to adjust to new highly competitive environment*
- *Individuals with lower levels of education and less-productive work histories will in all likelihood be overrepresented in lower-level, lower-paying jobs*
- *Job growth will probably stem most from small firms which lack resources for training.*

It is clear from this analysis that the state is facing a variety of challenges in creating policies to insure that today's policies lead to tomorrow's successes in linking employment and training supply and demand.

First, it is likely that the middle-aging workforce at the top will be somewhat less mobile that it has been in the past, and probably less willing to move. All indications are that this cohort of 35-54 year-olds will increasingly be family people. More often than not, family income will depend on a working man and woman. In all likelihood, these family units, particularly in view of the high cost of housing, will be less willing to relocate as they have been in the past. If this cohort proves to be less mobile than those before it, firms will have to pay increasing attention to internal labor markets and upgrade training for three reasons:

- *To avoid intellectual and productive stagnation*
- *To successfully integrate new technologies in the workplace to derive their full productive value*
- *To provide avenues for those in lower-level jobs to move up to accommodate new waves of entry-level workers to take advantage of their talents and to keep lower-level jobs from becoming dead ends.*

Second, the traditional entry-level worker pool will shrink in size, and it probably will comprise a majority of immigrants, Hispanics, Asians, and Blacks. While the public schools are being pressed to improve the "basics", it seems unreasonable to assume that they will be able to solve the problem alone. Dropout rates, particularly among these groups, are high and climbing, while only marginal gains are being made with regard to student performance. Indications are that the projected influx of ethnic minorities, immigrants, reduced resources and teacher shortages will only exacerbate the problem.

Third, there is little doubt that literacy demands on-the-job will outstrip the supply in the existing or future labor force. An increasing flow of immigrants and natives who read and compute at substandard levels will only dampen the state's productive capacity, while dooming many of these individuals to menial jobs. Further, many workers who are currently in the labor force, but who lack the basics, are precluded from retraining or advancement.

VIII. SURVEY OF JOB TRAINING COORDINATING COUNCILS IN OTHER STATES

This section discusses our approach to, and the results of, our review of the state job training coordinating councils in other states. The review was conducted in order to evaluate the role of the California SJTCC in a nationwide context, and to provide California's Council with a broader perspective on the many issues before it. The review consisted of two main tasks:

- *A survey of SJTCC's in all 50 states*
- *"Case study" visits to four states: Florida, Illinois, Massachusetts, and New Jersey.*

The section is organized as follows:

- *A summary of what we found in the other states as compared to California*
- *The survey findings*
- *Findings from our visits to four states.*

A. OVERVIEW OF SJTCCs NATIONWIDE

The review of SJTCCs nationwide consisted of a survey of all 50 states, and site visits to four Councils outside of California. A dual methodology was used in order to give a picture of how California's Council fits into the larger pattern of councils across the country, while at the same time, highlighting the different approaches taken in a few states which have attempted to break out of the mold. Hence, the nationwide survey helps to pinpoint the broad problems facing councils, while the site visits show some innovative solutions to those problems.

In general, the nationwide survey indicated that California's Council is a leading SJTCC. Not only does the Council in California oversee the largest JTPA program in the country, but it has the largest budget for Council activities and staff. Additionally, through programs such as ETP and GAIN, California has taken the lead in attempting to provide a broad-based approach to employment and training for all populations in need.

The Council in California reports largely the same concerns and problems as are reported by the majority of other SJTCCs. Councils everywhere have concentrated on a fairly narrow universe of issues -- coordination, performance standards, welfare, planning and policy, economic development, dislocated workers, and youth are the primary concerns across the country.

Furthermore, although California's Council stands out as one of the few SJTCCs with its own independent staff, it is housed administratively in the same agency which oversees employment service activities similar to the majority of other councils. Also, the state entities which work most closely with California's Council are similar to those which work most closely with councils in the other states, i.e., secondary education, welfare, employment service, and economic development.

The four case study states also share the general pattern of concerns of the other states. Where these states stand out is in the central role they have assigned their SJTCCs in meeting those concerns. In reviewing the approaches found in the four case study states, it is apparent that each forward looking state has forged a unique solution to its peculiar employment training arena. Hence, approaches in one state, no matter how attractive, may not operate well if transported to another. Nevertheless, the solutions arrived at in the case study states can be very instructive.

The most significant thing the case study states have in common is that they have enhanced the role and position of their SJTCC. For instance, both Florida and New Jersey have reorganized the functions of other advisory bodies, such as the state job service advisory council, with their SJTCCs. Massachusetts, on the other hand, has enhanced its council by converting it into a full commission, called the Mass Jobs Council. The Illinois SJTCC, in concluding that information is power, has made itself the lead entity in creating the Interagency Information Exchange, a computerized information network.

To go along with the expanded role of these councils, the case study states have paid close attention to their committee structure. Florida has devised nine very focused committees, some of which have structural roles outside of the strict purview of JTPA. New Jersey has developed a task force approach in which only a few standing committees are created. Issues dealing with individual programs or populations are handled through task forces that exist only so long as they are needed. All the case study councils have defined their committees in terms of **functions** rather than programs or issues. For instance, while each of these four councils have the equivalent of planning and oversight committees, they do not have standing committees on issues such as youth or marketing.

Finally, the case study states have paid particular attention to which constituent groups are represented on their councils. In keeping with the expanded roles of their councils, there is a commitment to have members representing the major employers in the state. In addition, the councils have reached out to groups beyond those prescribed by law. For instance, Illinois includes SDA directors on its council. Another practice is to allow non-members to serve on task forces or committees. This allows participation by people such as service providers, state program chiefs, and others responsible for making the programs work.

B. SURVEY OF ALL FIFTY STATES

The information used in this review came from analysis of two nationwide surveys of SJTCCs. One was a survey conducted early this year by the National Commission for Employment Policy, based in Washington, D.C. The other was a survey conducted in February by the study team specifically for this report. We first summarize here the methodology used to survey the other states. Next we present the survey findings, followed by the findings from our review of council documents enclosed with the survey.

1. METHODOLOGY

While in the process of devising an instrument to survey the other 49 state councils, the Arthur Young study team learned of a survey recently completed by the National Commission for Employment Policy (NCEP). The NCEP provided us copies of their returned questionnaires. After reviewing the NCEP survey we concluded that, although many significant findings could be drawn from the results, there were a number of questions which still needed to be asked in order to meet the objectives of our study.

Accordingly, the study team designed a survey specifically for this report. Because the NCEP survey had just been conducted, we felt the response rate to our survey would be higher if it complemented the NCEP instrument. This would cut down on the amount of duplicative work required of the respondents, many of whom had just recently completed the NCEP survey.

In all, 26 states responded to the NCEP survey, and 33 to the Arthur Young survey, with a total of 15 states responding to both surveys. The following is a discussion of the two surveys.

NCEP Survey

The National Commission for Employment Policy, located in Washington D.C., surveyed 26 states and various territories of the United States. The survey instrument consisted of 20 questions, seven of which were under consideration for inclusion in the planned Arthur Young survey. These seven questions were analyzed as part of this study:

- *How large is your state council?*
- *Whom do your members represent?*
- *Do you have an independent council staff?*
- *What is the current funding level for council activities?*
- *Do you have a council staff, independent from state agencies?*
- *How often do you meet as a council?*
- *What issues do you consider?*

Arthur Young Survey

The purpose of our survey was to provide additional information about other state councils and their programs. Our survey instrument was designed to be as brief and as easy to complete as possible while not duplicating the NCEP survey. We also asked respondents to include documents about their councils and programs. These documents would provide a great deal of detail without adding appreciably to the time it took to complete the survey. The documents requested were:

- *The most recent annual report to the Governor*
- *The most recent Governor's Coordination and Special Services Plan*
- *Any additional state legislation relevant to the operation and the function of the council*

- *Council by-laws, policies, and procedures*
- *Informational booklets, brochures, etc., about the state council.*

2. SURVEY FINDINGS

The findings are discussed here for both the National Commission for Employment Policies and Arthur Young surveys.

NCEP Survey

(1) The Average State Job Training Coordinating Council Has 38 Members.

According to the NCEP survey, the range in the number of Council members was large, from 53 members in Ohio, to 15 in Iowa. (The Marshal Islands had the smallest council consisting of only 13 members.) The most frequent response was 30 members, as reported by five states (Connecticut, Maine, Missouri, Nebraska, and Virginia). California's Council, with 32 members, is slightly smaller than average.

(2) Membership of Most SJTCCs Conforms Strictly to the Requirements of the JTPA.

Twelve of the 26 states (46%) responding to the NCEP survey reported that representation on their council conformed strictly to the Act. Other states reported conforming to the mandate as well as having additional representation of specific groups, such as:

- *Employment security*
- *Human resources*
- *Economic development*
- *Justice system*

- *Job service employer committees*
- *Private industry councils*
- *Labor unions*
- *Community-based organizations*
- *Private schools*
- *Eligible population.*

Due to the Family Economic Security Act, California's Council has more extensive representation, including nearly all of the groups listed above.

(3) The Average Funding Level for SJTCC Activities Was $203,000 Annually.

The average funding level for council activities was $879,000, which was due primarily to Utah's response of $13.5 million. Excluding Utah on the assumption that they responded with the state's entire JTPA allocation, the average amount for strictly council activities was $203,000. The range was from $4,500 reported by Nebraska to $875,000 reported by California.

(4) The Majority of States Reported that SJTCC Staff Costs are Paid from JTPA Title IIA 5% Funds.

Ten states reported their council's staff costs were supported from 5% funds. Seven reported that staff costs are paid for by the state, and there was one response for each of the following: Department of Labor, Wagner-Peyser, and "none." California reported that staff costs come from both 5% and 6% funds.

(5) *Most Councils do not Have an Independent Staff.*

According to the NCEP survey, 72 percent of the SJTCCs do not have a staff independent of the agency that administers JTPA. The eight states which responded that they have independent council staffs were Alabama, California, Connecticut, Delaware, Florida, Maryland, New Hampshire, and Utah.

(6) *The Average Number of Council Meetings is Five Per Year.*

SJTCCs reported meeting an average of five times per year, according to the NCEP survey. Seventeen respondents (65 percent) reported meeting quarterly. Seven councils (27 percent) met bi-monthly, while one met monthly and one met five times per year. California's Council, which meets bi-monthly, meets slightly more often than the average council in other states.

(7) *The Majority of Councils Consider Administrative as Well as Policy Issues.*

Issues considered by the councils most frequently were:

- *Coordination and interagency issues*
- *Performance standards*
- *Program issues.*

Also listed were those items required by the Act, such as developing the Governor's Coordination and Special Services Plan and reviewing the Carl D. Perkins Vocational Educational State Plan. California's response that the council considers administration, program operations, and management oversight and coordination was in line with responses from other states.

Arthur Young Survey

(8) The Majority of Councils Reported Being Housed in Their State's Employment Service Agency.

According to the 33 states responding to the Arthur Young survey, 64 percent of councils in other states reported being housed in the agencies identified as administering Wagner-Peyser funds. The other two most likely places for a council to be housed were the state's economic development agency (three states), and the governor's office (six states). One state reported that their council is housed in a separate job training agency (Wyoming), and one was independent (Montana).

(9) Almost All Councils Reported Working Closely with Secondary Education Agencies.

Secondary education agencies were reported as working closely with their councils by all but two of the 33 responding (94 percent) councils. The other agencies reported as closely linked to their councils were:

- *Welfare - 79 percent of states*
- *Employment service (the Wagner-Peyser agency) - 70 percent*
- *Economic development - 58 percent*
- *Community colleges, or vocational educational agencies - 39 percent*
- *Higher education - 24 percent*
- *Departments of aging/elderly - 18 percent*
- *Vocational rehabilitation - 18 percent*
- *Corrections - 12 percent*
- *Others - 48 percent.*

By far, the most frequent relationships between these agencies and their SJTCC concerned the administration of funds or programs (44 percent). The other types of relationships listed were:

- *Works with council on specific issues or target groups - 28 percent*
- *Coordination - 17 percent*
- *Is represented on the SJTCC - 10 percent.*

(10) Coordination Dominated the Councils' Policy Activities.

There was tremendous variability in the responses to our question regarding the councils' major policy initiatives, with no single response dominating. The most frequent responses were:

- *Coordination - 52 percent of states*
- *Incentives/performance standards - 27 percent*
- *Welfare - 24 percent*
- *Ensuring program results - 24 percent*
- *Planning/overall policy - 21 percent*
- *Economic development - 12 percent*
- *Dislocated workers - 12 percent*
- *Youth - 9 percent.*

These results parallel the results of the NCEP's survey regarding, "What issues does your Council consider?" It also is strikingly similar to the priorities the California SJTCC expressed during the roundtable discussion that was part of Phase I of this study.

Other areas of council initiatives were education, the hard-to-serve, public relations/JTPA advocacy, SDA formation, oversight, literacy/basic skills, duplication, and recapture of funds.

(11) The Most Effective Coordination Reported Among State Agencies was Between the JTPA Agency and the State Agencies for Employment Service, Education, and Welfare.

The agencies most frequently mentioned as having effective coordination with the JTPA agency were:

- *Education - 55 percent of states*
- *Employment service - 52 percent*
- *Welfare - 45 percent*
- *Economic development - 27 percent*
- *Vocational education - 24 percent*
- *Universities - 12 percent.*

(12) Most States Allocate Their Title IIA 78% and IIB Monies by Formula; States Were Almost Evenly Split as to Whether Title III Monies were Allocated by Formula, Approved on a Project-By-Project Basis, or Some Combination of Each.

Ninety percent of the states allocated their IIA 78% funds by formula. Half of the states reported awarding Title IIA 5% funds on a project-by-project basis, and half reported awarding a certain percentage of Title IIA 8% and 6% funds on a formula basis. About a quarter of the states allocated Title III funds by formula with the remainder allocating them on a project basis (36%) or a combination of methods (36%).

Table 15

Allocation Procedures of Other States

Allocation Procedure	*78%*	*8%*	*6%*	*3%*	*5%*	*Title IIB*	*Title III*
By Formula	89%	23%	46%	50%	33%	96%	28%
On a Project Basis Only	4%	23%	4%	21%	50%	4%	36%
Both Procedures	7%	54%	50%	29%	17%	-	36%

California, by comparison, awards all of its 78%, and 3% funds, and half of its 8% and Title III funds on a formula basis. Additionally, all but $135,000 of the 5% funds are awarded on a formula basis in California. Thirty percent of the 8% funds and 50 percent of Title III funds are awarded on a project basis in California.

(13) *State Councils in Other States Rated Themselves as Being Very Effective in Shaping Job Training Policy at the State Level.*

Sixty-four percent of the respondents rated their state councils as "very effective" at shaping job training policy at the state level. Thirty-three percent rated their councils as only "somewhat effective," and only one state rated its council as "somewhat ineffective." California rated its council as "very effective".

(14) *State Councils in Other States also Rated Themselves as Being Very Effective in Shaping Job Training Policy at the Local Level.*

Twenty-one, or 58 percent, of the respondents rated their councils as "very effective" at the local level; 11 or 33 percent, rated their councils as "somewhat effective"; only two rated their councils as "somewhat ineffective"; and only one rated its council as having no local level impact. California rated its council as "very effective".

(15) *All State Councils Indicated that Job Training was a High or Somewhat High Priority for Their Governor.*

Seventy-eight percent of the respondents considered job training policy to be a high priority with their state governor. The remainder felt job training was a "somewhat" high priority. None of the respondents indicated job training was a low priority for their governor. California rated job training as a "somewhat high priority" for its governor.

3. FINDINGS FROM THE REVIEW OF COUNCIL DOCUMENTS

This section summarizes the major findings from our review of state documents collected during our survey. Of the 33 states responding, 30 included documents. Most sent a recent Governor's Coordination and Special Services Plans (GCSSP) and the SJTCC annual report. Many sent copies of state laws establishing the council and/or JTPA in the state, informational brochures and marketing materials, and copies of studies conducted in their states on certain aspects of JTPA.

In general, the GCSSPs were the most useful because they provided an in-depth and reasonably standardized look at the councils' and states' goals, objectives, and special programs and approaches. The other material tended to be supplementary to the GCSSPs. Most state plans utilized a structured approach in which the governor's goals were identified, objectives given for each of the goals, and an analysis provided of each objective (which often included strategies to achieve the objectives). The format of the GCSSP is set by the U.S. Department of Labor (DOL) and is generally divided into the following subjects:

- *Governor's Goals and Objectives*
- *Coordination*
- *Use of Resources*
- *Performance.*

It became apparent that, for the most part, the plans were little more than the minimum required by law. A few states did have GCSSPs which did much more than the minimum. For these states, the plans appear to be used not only to conform to the requirements of the law and DOL, but also as working tools to focus the governor, the council, and the whole state's approach to job training. Some plans which stand out are highlighted below:

- *New York's plan presented a broad picture of the state's job training philosophy, as well as concrete policy*
- *Illinois' plan went into great detail on how coordination agreements provide a method by which the state can annually review its job training results against measurable criteria*
- *Maine's plan explicitly refined the Governor's goals into more specific recommendations/objectives in a top-down approach*
- *Kentucky not only had an above average plan in terms of giving specific information, but also had well-developed supplemental analysis documents for the first three years of JTPA.*
- *Florida's GCSSP emphasizes quantifiable goals and objectives, such as increasing service to AFDC participants by fifteen per year.*

The Job Training Partnership Act was designed expressly by Congress to give the states maximum flexibility in determining local goals and programs within the context of the overall law. Although states have considerable latitude in setting up their programs, we found they were not generally proactive in establishing unique policies and programs to fit their individual needs. However, in a few areas we observed exceptions. One area, already discussed, is the innovative use of their governor's plans. Other areas where councils attempt to use flexibility within the Act to meet local needs and job training philosophy are:

- *Administration of incentive awards*
- *Administration of 8% educational coordination funds*

- *Recapture policies*
- *Special studies.*

These are discussed below:

(16) *Most States Appear to Accept the Department of Labor Regression Model for Performance Standards Without Local Adjustment.*

No other JTPA issue or funding was molded more individually to suit state interests and philosophy than the determination of performance standards. However, very few states took advantage of their legal right to adjust the performance measures according to local criteria. Most states opted to use the Department of Labor regression model, with a number of states taking the stand that they would not even accept applications from PICs or SDAs to use another adjustment methodology. Only two states reported changing the model, i.e., Nebraska and Tennessee.

While accepting DOL's models for six of the seven standards, the Governor of Nebraska used his authority to adjust the average wage of placement. Citing the average wage of placement experience in 29,052 non-professional placements made by job service between August 1984 and July 1985, the Governor reduced the DOL standard from $4.91 to:

• *Greater Lincoln SDA*	*$4.08*
• *Greater Omaha SDA*	*$4.14*
• *Greater Nebraska SDA*	*$4.13.*

The Governor of Tennessee also largely accepts the DOL regression model for determining performance standards in his state. However, he used his authority to further adjust two standards, i.e., the youth positive termination rate and the adult entered employment rate. He adjusted the youth positive termination rate by reducing it one percent "for every 15 percent of youth participants provided a basic skills component." He adjusted the adult entered employment standard beyond the regression model provided by the Secretary of Labor by one quarter of one percent "for every one percent of adult participants who receives basic skills and/or adult basic education."

Although no other state provided information to show that they were using an adjustment criteria other than the DOL regression model, several did establish "banding" or "tolerance ranges" for the standards to adjust for inaccurate or undependable statistical data. These ranges usually incorporated a band that included the lower to upper acceptable outcomes as established by the DOL methodology.

States have devised a wide variety of methods to encourage and reward superior performance. Four states have established separate incentive award pools for the performance standards. Six states have established separate incentive award pools for serving targeted groups.

(17) The Majority of States Administer Their 8% Monies Through the Departments of Education.

Another area where states displayed a great deal of flexibility in their programs was in the administration of 8% monies. One of the chief concerns was related to the requirement that these funds, if spent on education coordination, be matched by funds from either state, local, or private sources. The law also stipulates that if no agreement can be reached with a state department of education for allocation of the funds, then the money reverts back into the Governor's control and no longer requires the matching funds.

Kentucky makes use of this provision by stating that no cooperative agreement could be reached with a state educational agency, so the 8% funds were used for on-the-job training and for promotion of the state as a center for new automobile manufacturing plants. A few other states refer to this provision; however, it was not clear from the material reviewed if they are actually diverting 8% monies from educational coordination as completely as Kentucky.

One feature of the law which was more or less uniformly followed by all states which expended the funds for educational coordination was the division of the 8% funds into 20 percent for administration and coordination at the state level, and 80 percent for use at the local level.

The majority of states chose to administer the 8% funds through a state department of education, usually the department overseeing secondary education. However, frequently a vocational education and/or community college agency either administered all 8% funding or a portion of it. Many states, some due to the smallness of their 8% allocation, chose to have the entire amount used for programs administered directly by the state department of education or another statewide educational agency.

(18) *Recapture Policies Were Observed in the Documents Provided by Four States: New York, North Dakota, Illinois, and Arkansas.*

New York's recapture policy closely follows federal law. Originally, New York allowed a carryover of twenty percent of an SDA's allotment. However, this amount has been reduced to 15 percent for the majority of funds, and ten percent for Title IIB funds to be in line with DOL guidelines. In order to avoid the need to recapture and reallocate funds, New York monitors each SDA's expenditures closely. If there appears to be the beginning of a problem, technical assistance is provided to SDAs so that their spending goals can be reached. New York reports it never had to use its recapture policy except in a minor way involving 3% monies.

North Dakota has approached recapture in an interesting manner. Because they are a single state SDA, they are not technically able to recapture funds from one SDA and reallocate them to another. However, North Dakota has divided the statewide SDA into eight regions, which are treated like SDAs. It is on a regional basis that the statewide SDA has become concerned about unexpended funds. In the past two years, the two largest regions have had large carryovers, principally due to under-service of their eligible population. In order to deal with this, North Dakota has encouraged voluntary transfers of unexpended funds from one region to the next within a program year. The transfers must be agreed upon by the accepting region, as well as the donating region, because the performance standards for the funds must be met by the region acquiring them.

Although a substantial number of voluntary transfers have occurred under this program, the policy has met with limited success in that some regions continue to have large carryover of funds. To deal with the problem further, the state has adopted policy for 6% incentive monies, in which the bulk of the awards go only to regions which have expended 85 percent on their prior year's allotment. In this way, underexpended regions are not given large bonus awards to add to their prior year's carryover.

Under the North Dakota program, each region's expenditures are monitored on a quarterly basis. During the first few quarters, a region's obligations are considered as well as its actual expenditures. However, later in the program year, each region's allocation is altered if their actual expenditures are falling behind the 85 percent target. At the end of the year, only actual expenditures are considered in determining if the target had been reached by a region. In this way, North Dakota avoids the problem of regions having funds obligated which are never actually spent.

Illinois' policy is to allow the SDAs to keep a maximum of 15 percent of their allocation from one year to the next, and recapture the remainder. The unexpended funds are recaptured by subtracting the unexpended amount from the next year's allocation. SDAs qualify for receiving recaptured funds by expending 85 percent or more of their prior year's allocation.

Arkansas requires that 90 percent of an SDA's allotment be expended during the program year. If less is spent, the difference between the amount actually spent and the 90 percent requirement is subject to recapture. SDAs with a 90 percent or better expenditure of funds qualify to apply for some of the recaptured funds. The additional amount received is not subject to the 90 percent expenditure during the program year in which it is received, but is subject to 90 percent expenditure the following year.

(19) *Very Few States have Adopted Approaches to Statewide Job Training Planning that Go Beyond that Mandated in the Act.*

A few of the states have taken the innovative approach of consolidating the roles of many councils under the SJTCC. An SJTCC of this type would fill the mandated policy and advisory roles not only for JTPA programs, but also for other programs such as Wagner-Peyser and unemployment insurance. The Florida SJTCC is an example of a consolidated council. Minnesota is another state with extensive plans for employment and job training which does the same.

An interagency work group concept explored by New York State is a strategy which merits attention. In order to facilitate state-level cooperation, key state agencies are mandated to meet on a monthly basis as an interagency work group. The agencies involved include:

- *State Department of Labor*
- *Department of Commerce*
- *Education Department*
- *Department of Social Services*
- *Office for the Aging*
- *Division of Youth*
- *State University of New York*
- *Office of Advocate for the Disabled*
- *Council on Children and Families*
- *Women's Division*
- *Department of State*
- *Division of Budget.*

The monthly minimum agenda set for the work group included review of pending legislation, JTPA policy transmittals, and proposed regulatory actions. In addition, group members are to notify each other of significant upcoming proposals and planning cycles, identify concerns for group response and action, and report on on-going programs. One key purpose of the group is to identify and explore means in which they can jointly fund projects. However, the main task is simply that of on-going information exchange. Few states appear to have taken this step to promote cooperation and joint planning at the state agency level.

C. THE CASE STUDY STATES

Four states were chosen for "case studies" by the study team in consultation with Council staff: Florida, Illinois, Massachusetts, and New Jersey. These states all have major JTPA programs and reputations for having strong state job training coordinating councils. The information used to report on the the SJTCCs in these states was gathered during visits to their councils in the spring of 1988.

During the visits, the study team interviewed the council chairs, executive directors, and key council staff. Top officials in agencies closely coordinating with JTPA also were interviewed. Additionally, documents and other material were collected to assist in the analysis of each state's SJTCC.

1. FLORIDA

This report on the Florida SJTCC concentrates upon the structure and placement of the Council in Florida's employment training system and the major issues which it has dealt with. It is notable that although the structure of the Council in Florida is unique, the issues it faces are much the same as those faced by the Council here in California, as well as SJTCCs across the country.

The Florida SJTCC, like California's Council, was established with an independent staff. The overall Council budget in Florida's is $575,000, which is second in the country only to California's budget of $875,000. Florida's SJTCC staff consists of 12 people (seven of which are professionals), which compares to California's staff of ten and one-half (eight of which are professionals). The Florida SJTCC has 34 members, with 12 from the private sector. Once again, this parallels California's Council size, which is 32, with 11 private sector members. Externally, then, the Florida SJTCC roughly approximates California's.

However, a closer look brings into focus a number of differences between the Florida and California Councils. Although all the approaches adopted in Florida may not apply in California, they are nevertheless instructive.

Consolidation and Coordination

In setting up its SJTCC, Florida decided to consolidate a number of advisory bodies into the new council in order to increase its effectiveness. As a result, the Florida SJTCC plays a central policy role in job service and vocational education programs as well as JTPA. Due to its expanded authority, the Florida SJTCC has been able to attract private sector members from key Florida industries to sit on the Council. In addition, the Council appears to enjoy a better than average standing in the statewide employment and training arena. Some of the advisory bodies consolidated into, or closely coordinated with, Florida's SJTCC are discussed below.

The Job Service Advisory Council

Florida law has put the State Job Training Coordinating Council in the heart of employment training policy. One means used to enhance the Florida Council involved giving it joint JTPA and Wagner-Peyser responsibility. The Wagner-Peyser Act authorizes federal support for job service programs across the country. Like JTPA, Wagner-Peyser provides the private sector a policy role to insure that job service programs meet the needs of the employer community. Accordingly, the law requires states to establish job service advisory councils consisting of both private and public sector members. Most states, like California, have established different councils for Wagner-Peyser and JTPA. However, Florida has combined both roles into its State Job Training Coordinating Council.

As with JTPA, Wagner-Peyser requires the job service advisory council to periodically approve plans setting out the statewide goals and objectives of the program. Since the Florida SJTCC serves in the capacity of the job service advisory council, the ***Governor's Coordination and Special Services*** Plan for JTPA includes the plan for job service. Joint planning of the two programs has a number of effects as described below:

- **Better Coordination Between the Two Programs**

  The SJTCC is actively involved as job service policy is developed giving it "ownership" of job service policies and programs. As a result, coordination between the programs, such as co-location of SDA and job service staff, is encouraged. "Turf battles" are discouraged.

  For example, the Council adopted a policy to allow sharing of job placement credits between job service and SDA staff (see **Exhibit VIII-1** on the following page). Although the policy has been difficult to administer, it nevertheless has added to the spirit of cooperation between agency staff. This type of cooperation has lead to 109 of 1,084 (nine percent) of job service positions being paid for through JTPA, further encouraging coordination at the local level.

  Another example of coordination between JTPA and job service is that job service offices were made compatible with the 24 service delivery areas.

- **Quantifiable and Measurable Objectives**

  Wagner-Peyser plans tend to be more quantifiable. Partially as a result of the Wagner-Peyser influence on the *GCSSP*, as well as the result of Council policy, the *GCSSP* JTPA goals have been framed in quantifiable and measurable terms.

  For instance, Objective 1 of the *GCSSP* reads that, "The number of youth positive terminations will increase by 10% per year," while Objective 2 reads "...the number of placements for AFDC recipients in JTPA Title IIA will increase by 15% per year." Coordination between job service and JTPA also are expressed numerically where possible. For instance, in support of Objective 2, the plan states that job service "will place 6,476 AFDC recipients in Fiscal Year 1988 and will increase placements by 2% so that 6,606 are placed in Fiscal Year 1990."

The Labor Market Information Advisory Committee

The Florida SJTCC also oversees another important employment and training advisory body, the Labor Market Information Advisory Committee. This committee is authorized through both JTPA and the Carl D. Perkins Act, which is the law providing states with federal vocational education funds. The main function of the committee is to oversee provision of labor market information for all of Florida.

EXHIBIT VIII-1

FLORIDA JOB SERVICE - JTPA SHARED PLACEMENT CREDITS

IF: THEN:	JOB SERVICE RECEIVES A PLACEMENT	JTPA RECEIVES AN ENTERED UNSUBSIDIZED UNEMPLOYMENT TERMINATION	JOB SERVICE RECEIVES A SHARED PLACEMENT	JTPA RECEIVES A SHARED PLACEMENT
1. The individual is a Job Service client and is referred to and placed by JTPA.	NO	YES	YES	NO
2. The individual is a JTPA applicant (not enrolled) and is referred to and placed by Job Service of Florida.	YES	NO	NO	YES
3. The individual is a JTPA participant (enrolled) and is referred to and placed by Job Service of Florida.	YES	YES	NO	NO
4. JS/JTPA Contractual Agreement. Applicant is a Job Service client and is referred to and placed by JTPA.	NO	YES	YES	NO
5. JS/JTPA Contractual Agreement. Applicant is a JTPA applicant (not enrolled) and is referred to and placed by Job Service of Florida.	YES	NO	NO	YES
6. JS/JTPA Contractual Agreement. Applicant is a JTPA participant (enrolled) and is referred to and placed by Job Service of Florida.	YES	YES	NO	NO

Consisting of members from both on and off the Florida SJTCC, the Labor Market Advisory Committee is semi-autonomous in matters regarding its primary charter, although it reports to the SJTCC on other matters.

Coordination with the Florida Council on Vocational Education

The Florida Council on Vocational Education was established to meet the requirements of the Carl D. Perkins Vocational Education Act. It, like the SJTCC, is comprised of members representing both the public and private sectors, and serves as an advisory group concerning the state vocational educational system goals and objectives.

When the SJTCC was established, Florida considered organizing the Council on Vocational Education within the State Job Training Coordinating Council. However, the concept did not prove to be feasible because the two systems are too diverse for one unified council to deal with. For instance, funding for vocational education in Florida, as in all states, is much greater than JTPA funding (in excess of $700 million for vocational education, as opposed to $109 million for JTPA in Florida). Instead, the decision was made to create linkages through key committees, such as the Labor Market Information Advisory Committee, mentioned above, which includes the Director of Vocational Education. The SJTCC Education Committee also includes members of the Council on Vocational Education.

Council Committee Structure

The increase in scope and authority of Florida's SJTCC has brought about a more extensive committee structure than is usual for councils across the country. Florida's Council has nine committees focused on function rather than programs. By comparison, California's SJTCC has five committees, some focused on function (e.g., operations and oversight) and others on programs (e.g., youth). In addition to the Education and Labor Market Information Coordinating Committees discussed above, the following committees are found on Florida's SJTCC:

- *Plan Review Committee*
- *Communication Committee*
- *Job Training Committee*
- *Communication Committee*
- *Human Services Committee*
- *Audit/Performance Standards Committee.*

In addition, there is an SJTCC Executive Council which is comprised of the chairs of the various committees.

A partial result of the number of committees is that each is more aware of its mission. The Plan Review Committee, for instance, has been established to review both the *GCSSP* and the SDA plans. Since committee members are intimately involved in both processes, they are able to spot local plans that deviate from state policy, and propose corrective action. In this way, focused committees allow Council members to be more deeply involved in the policy process.

In order to reinforce the authority of the committees, recommendations are not reviewed by the Executive Council before being presented to the full Council. However with greater authority comes greater responsibility. All members are required by Council by-laws to sit on at least one committee. Also, appointments to the Florida SJTCC are on a yearly basis. Active members are generally renewed each year, but members who have repeatedly missed meetings, or sent delegates, are not recommended by the Chair for reappointment.

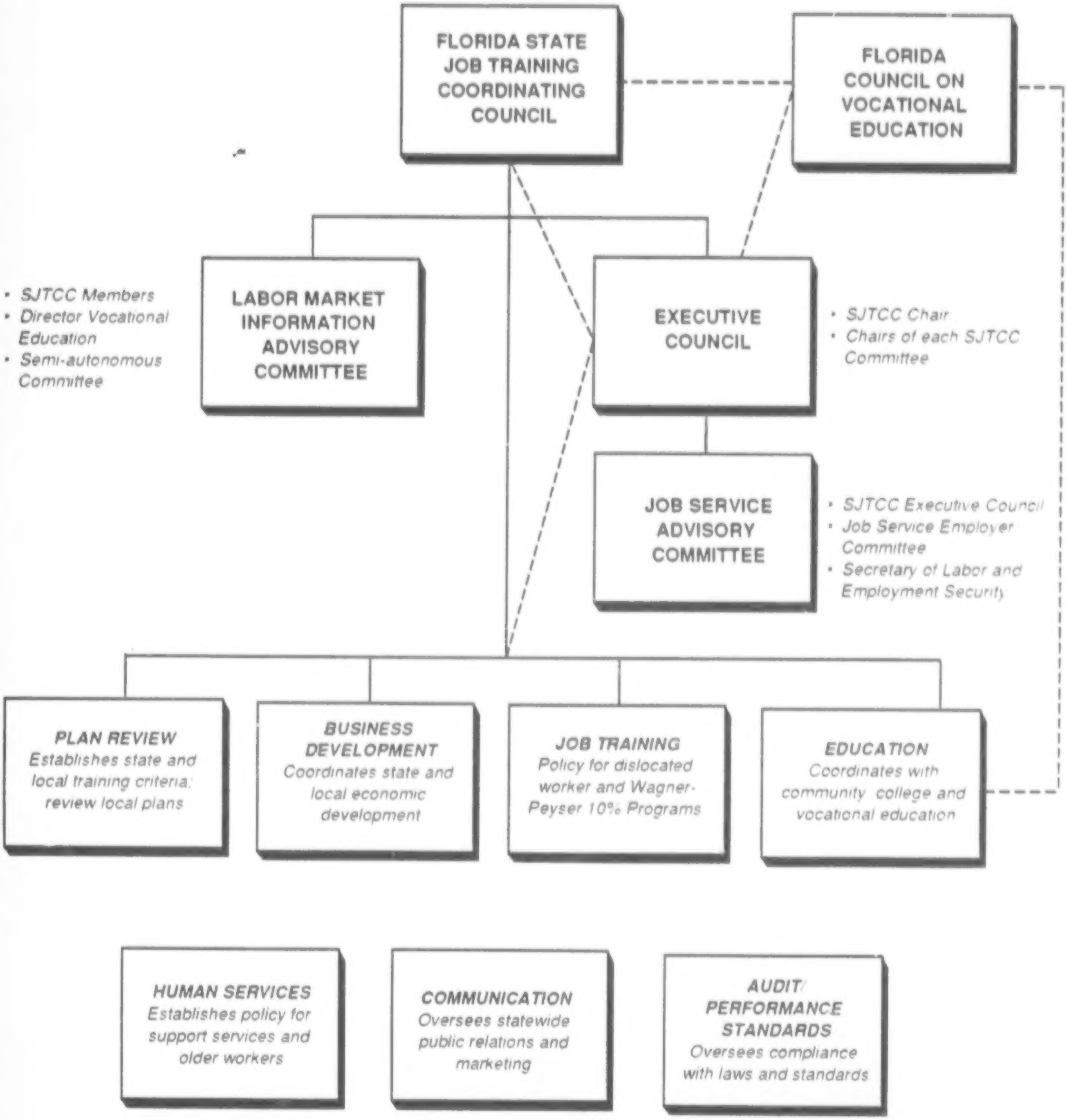
The consolidation and coordination of SJTCC authority coupled with the Council's internal structure and by-laws has made the Council more aware of the larger Florida employment and training world. As a result, the SJTCC is able to speak with greater authority concerning the issues before it. **Exhibit VI-2**, on the following page, illustrates the relationship between the Council and the other advisory bodies discussed above.

Policy Issues

Many of the issues faced by the Florida SJTCC are similar to those that the Council here in California has addressed. However, because of the flexibility allowed states by JTPA legislation, and because of the differences among

EXHIBIT VIII-2

Florida State Job Training Coordinating Council
Organization Chart


FLORIDA STATE JOB TRAINING COORDINATING COUNCIL
FLORIDA COUNCIL ON VOCATIONAL EDUCATION
• SJTCC Members
• Director Vocational Education
• Semi-autonomous Committee
LABOR MARKET INFORMATION ADVISORY COMMITTEE
EXECUTIVE COUNCIL
• SJTCC Chair
• Chairs of each SJTCC Committee
JOB SERVICE ADVISORY COMMITTEE
• SJTCC Executive Council
• Job Service Employer Committee
• Secretary of Labor and Employment Security
PLAN REVIEW
Establishes state and local training criteria; review local plans
BUSINESS DEVELOPMENT
Coordinates state and local economic development
JOB TRAINING
Policy for dislocated worker and Wagner-Peyser 10% Programs
EDUCATION
Coordinates with community college and vocational education
HUMAN SERVICES
Establishes policy for support services and older workers
COMMUNICATION
Oversees statewide public relations and marketing
AUDIT/ PERFORMANCE STANDARDS
Oversees compliance with laws and standards

Membership on the committees is not limited to Council members.

employment training and market place realities among the states, each council has developed its own unique solutions to problems it faces. Some of the issues and approaches taken by Florida are reviewed here.

- **Title III**

  Title III underspending is a major issue in Florida. This is due in part because Florida has experienced few large plant closings, and in part because of certain eligibility requirements established by the Department of Labor in Washington. Although, the Florida Council sets money aside in case of plant closures, this money is not fully utilized.

  In addition, SDAs have trouble spending the amount of Title III money allotted to them because of the requirement that the funds be matched locally. In order to deal with this, the Council is currently ascertaining if the required match can be made from state funds.

- **High Risk Youth**

  SDAs in Florida had been experiencing problems similar to those reported by California SDAs in attempting to serve high risk youth. As a result of barriers due to eligibility requirements, SDA directors in Florida requested that the Council allow high risk youth to be considered a household of one. This request was disallowed in Florida (as it ultimately was here in California). However, in order to reach disadvantaged high risk youth lost because of red tape, the Florida Council adopted a policy allowing SDAs to accept a child's school district certification for free or reduced cost meals as proof of income eligibility.

- **Project Independence**

  This is an attempt, like California's GAIN program, to increase employment related activities for welfare recipients. The Florida SJTCC has encouraged cooperation with Project Independence. However, also like California, there is a widespread impression of duplication of effort and overall lack of effective coordination between the JTPA and Project Independence programs.

- **Carryover Policy**

  Florida has addressed underexpenditures of JTPA funds by establishing a carryover policy. This policy states that SDAs can carryover only 30 percent of their funds from one program year to the next. Any amount over the 30 percent must go locally to Project Independence.

- **Creaming**

  Creaming is often considered to occur in part due to the cost per placement standard. In order to meet this standard, SDAs and service providers are discouraged from accepting hard-to-serve individuals who would need longer term, more expensive training plans. To deal with this issue, the Florida Council has removed the cost per placement standard from consideration in awarding incentive funds to SDAs.

- **Service Providers**

  Service providers are encouraged to attend Council meetings in order to insure that people being served are informed about Council policy and activities.

- **8% Policy**

  All 8% funds go to local educational institutions through the State Department of Education. The Department of Education had been experiencing difficulties in reapportioning funds allotted to one SDA when that SDA was not expending it. In order to address the issue, the Council established a policy allowing the Department of Education to reapportion funds. As a result, the Department is able to work with SDAs unable to expend their 8% funds, and if necessary, within the same year transfer funds from an SDA which cannot use the money to one which can.

2. ILLINOIS

The Illinois Job Training Coordinating Council (IJTCC) consists of 45 members, 15 from the private sector. Members serve two-year terms, except those representing the legislature and state agencies, who serve during their term of office or employment. Council membership includes three SDA directors. Members may designate alternates with voting privileges to serve in their absence.

Recently, the IJTCC reduced its number of standing committees from seven to four. Current committees include the executive committee, consisting of 20 members, and the committees on policy, coordination, and oversight, all limited to 15 members. Committee membership includes non-Council members, who have voting privileges on their respective committees. In this way, the Council has a mechanism whereby the key players in the state's job training system participate in policy decisions.

The Council is perceived as a consensus building organization that works to eliminate turf battles among the key agencies providing employment and training. To that end, the Council is recognized as having a broader statewide role in coordinating job training, and its major accomplishment has been the implementation of a formalized process of coordinating activities, discussed more fully below, which took effect July, 1988.

The Council's impact to a great degree is the result of personalities, with the key state representatives from welfare, education, employment service, and the SDA association cooperative and willing to establish meaningful relations. Several of these representatives have been recent appointees who have made it a priority to improve interagency cooperation.

Council Staff

The IJTCC staff consists of nine full-time professionals. The staff is housed in an economic development agency, the Department of Commerce and Community Affairs, rather than a human services department. Council staff is also the JTPA staff, an alignment that was once a cause of concern by some state legislators who perceived that the staff's dual responsibility of assisting the Council and administering JTPA gave them too much influence. A legislative initiative to delineate the function of the staff, however, was unsuccessful; and the dual responsibility of the staff exists today with apparent harmony.

JTPA Overview

The Council oversees a JTPA budget of approximately $160 million allocated to 26 SDAs. The principal service providers in the state are the schools, community colleges, and community based organizations, and to a lesser extent, the labor unions and private schools and businesses.

Title-IIA 8% funds are allocated to the education department, which receives 75 percent of the allocation, and to the community colleges which receive the other 25 percent. A portion of the 8% funds allocated to the community colleges currently support small business assistance centers and grant procurement centers for the private sector. Title III programs are administered by 19 regional dislocated worker centers which are located strategically around the state to serve the areas most in need and are operated by the community colleges. Five percent of Title III funds are kept at the state level for administration of specific projects. The separate administration of Title III programs outside the SDA's jurisdiction has been the cause of some discord in the system, but the program's success keeps Title III under the principal auspices of the community colleges.

Welfare Initiative

Project Chance is the state's principal welfare initiative. The emphasis of this voluntary program, administered by the Department of Public Aid, is on job placement, but participants are referred to education and job training programs operated by other agencies as needed. Many clients are referred to JTPA programs as local Project Chance offices work closely with the 26 SDAs. During FY 1987, over 26,000 welfare recipients enrolled in Title IIA programs. Project Chance did not start without its difficulties as, similar to California's GAIN program, it caused turf battles between the welfare department and the JTPA system. Early problems of coordination appear to have been settled and Project Chance staff now meet regularly with a task force of SDA directors and state JTPA staff to resolve outstanding issues and to continue improving program coordination.

Formal Coordination Criteria

The Council has in place a formalized process for coordinating activities between SDAs and the major state agencies that provide referrals, support services, and other training related services. These agencies include the Departments of Education, Public Aid, Corrections, Rehabilitation, Children and Family Services, and Employment Services. The procedures for coordination are outlined in the state's Coordination Criteria, which is included in the Governor's Coordination and Special Services Plan. The blueprint for the coordination activities now in effect was a 1981 study, commissioned by the Council, on interagency coordination conducted by Northern Illinois University. The development of the current procedures has been an ongoing process since the study was completed. The procedures require that SDAs negotiate written coordination agreements with state agencies involved in employment and training. The agreements identify agency liaisons responsible for interagency coordination both at the state and local levels. It includes model agreements and sample memorandums of understanding for the agencies and SDAs to follow. Moreover, formal implementation steps are outlined, as well as monitoring and reporting procedures and steps for non-compliance. Local agency representatives are responsible for implementing coordination activities. State agency representatives are kept informed of local activities and only intervene when problems are unresolved at the local level. An outcome of the process has been cross-training of staffs to increase the level of awareness of what services are available to participants in need. The coordination process has evolved to where it now reflects a systematic effort to enhance coordination in the state's employment and training system.

SDA Representation on Council

Council membership includes three SDA directors representing the state's SDA Association. The SDA Association meets the day prior to every regular Council and committee meeting to review agenda items and prepare input by SDA Council members to the Council-at-large. In this way, SDA representatives are integral parts of the decision-making process and provide immediate input on policies that affect the local level. Initial problems between the welfare department and the SDAs over the implementation of Project Chance were resolved through a welfare/SDA ad hoc task force that emanated from SDA influence on the Council. In addition, an SDA representative chaired the coordination committee, which was instrumental in developing the coordination agreement.

Interagency Information Exchange

Under Council guidance, an interagency information network system is being developed. Client information on computer tapes is exchanged between JTPA and the Department of Public Aid to facilitate in recruiting participants for their unique programs. The Department of Employment Security (employment service), the state agency with perhaps the closest relationship with the JTPA system, is developing a series of labor exchange services which will be available to human services departments and their contractors to better assist clients access the job market. The program, called Employ Illinois, has several components in the formative stages that attempt to increase the accessibility by employment and training programs to the department's data. These include:

- *An employment tracking system which tracks the previous (two year) and subsequent (seven year) employment and wage history of former program participants to evaluate program effectiveness*
- *An economic data base compiled in concert with a consortium of public and private organizations that will generate information on the growth, decline, and migration of businesses within the state*
- *A demonstration project with the Department of Commerce and Community Affairs which will provide public employment and training agencies with on-line access to all data on the employment service's system, designed to assist SDAs and the Title III regional centers in their recruitment efforts.*

3. MASSACHUSETTS

Massachusetts parallels California in many ways. The state has a declining industrial base combined with a booming high-tech and service sector. Like California, it has an aggressive welfare reform program and a strong system of higher education. Massachusetts also has a state-funded displaced workers program.

Initially, under JTPA, the state formed an SJTCC, but the council soon became inactive. Recently the Governor formed a "Cabinet-Level Employment and Education

Coordinating Council", commonly known as the Clique Group. The Clique Group was made up of high-level state officials. It reviewed employment and training policy within the state and made a series of recommendations. One of the recommendations was to reactivate the SJTCC and give it an expanded role. The Council was renamed the Mass Jobs Council. The revitalized Council had just held its first meeting when the field visit was made. While it is too early to judge the performance of the Council, there are a number of innovations made by the Clique Group and other state officials in the absence of the Council that could serve as a model for California.

Clique Group Recommendations

The Clique Group made a series of recommendations that have been endorsed by the governor and are being put in place. They include:

- *Merge the job service agency (Department of Employment Security) with the JTPA administrative unit (Office of Employment Policy)*
- *Expand the role of PICs to become labor market planning boards with additional authority over education*
- *Strengthen vocational education, through $15 million in state bonds, to pay for modernizing equipment in vocational education programs*
- *Create a regional partnership of education, employment and training agencies called Mass Jobs West, to serve an economically depressed region of the state.*

Displaced Workers

Despite its booming economy, traditional industrial sectors in Massachusetts continue to decline. To serve the workers displaced by layoffs and plant closures, the state established the Bay State Skills Corporation. This independent nonprofit corporation administers both the state's Title III allocation and the state-funded displaced workers program.

Besides providing training to displaced workers, the corporation also provides up-grade training to employed workers. Programs for employed workers must include an even match of funds from the employer, must involve a local college or vocational school, and must leave some "residual capacity" for further training in the community. The retraining contracts are not performance-based.

The state has also established "Flexible Capacity Centers" around the state that serve displaced workers in non-plant specific programs.

Welfare Reform: The ET Program

The Employment Training Program is Massachusetts' well known ET welfare reform program. The program differs from GAIN in many ways. First, participation is voluntary. The ET program is a model of coordination in that the roles of state and local agencies are defined clearly and duplication of effort appears to be minimal.

The local welfare offices are responsible for screening welfare recipients for eligibility, and for providing support services such as child care, transportation, and counseling. The SDAs are responsible for providing all job training services through their network of providers. It is important to note that since Massachusetts' JTPA allocations have declined because of its low unemployment rate, ET funds now make up more than half of the typical SDA's budget. The employment service is responsible for all placements on a statewide, performance-based contract that requires placement at $5.00 per hour and 60 days of retention. State officials report that over the last three years a "tight partnership" has developed among the three agencies.

Remedial education is provided through statewide RFPs and are not performance-based. The state Department of Education appears to be the one state agency with which there has not been successful coordination.

Economic Development

Massachusetts has an aggressive economic development program that is run by the Massachusetts Office of Business Development. The program's basic strategy is to expand businesses already located in the state, rather than attracting new businesses from out-of-state with incentives not available to existing businesses. The heart of the program is the account executive system. When a company wants to expand, move into the state, or participate in a government loan program it is assigned an account executive from the Office of Business Development. The account executive acts as a broker between the business and the array of state and local agencies with whom the business must deal. Included are state and local training agencies. The account executive is expected to put businesses that are expanding in touch with the local PIC. They try to foster contract training between local vocational education programs and private industry as well.

At the state level, the Office is trying to match programs in public vocational schools with "basic industries" at the regional level, without creating duplicative programs which would each require expensive equipment and would seek donations from industries. The Office has no authority over the schools and colleges, but tries to act as a catalyst to bring them together to reach agreement about what programs each institution will offer, and how they will be linked to industry. The success of these efforts appears to be limited.

Job Service

One of the Clique recommendations that is being implemented is that the job service and the JTPA administrative office be integrated into a single unit. In addition, arrangements have been made to allow local job service offices and SDAs to share credit for placements. The job service and JTPA state office regularly schedule regional meetings; whereas, SDA directors and local job service administrators meet together to preview state policies and discuss coordination issues.

Regional Economic Development and Training Efforts

The state Department of Labor has created two regional economic development and training projects, i.e., Mass Jobs West and Mass Jobs Southeast. These projects are targeted at two areas of the state which have unique economic problems and relatively high rates of unemployment. The projects attempt to bring together state and local economic development efforts including local vocational education, job service, and JTPA programs to encourage economic development and reduce unemployment. No objective data on the success of these programs was available.

Expanded Role for PIC's

One Clique group recommendation was that the role of PICs be expanded to that of local labor market planning boards. To encourage local experimentation, the SJTCC will make grants available to local PICs that wish to experiment with an expanded role. The program is just beginning; and, no additional data on the effort was available.

4. NEW JERSEY

High status within the state government and limited membership are the key characteristics of the New Jersey SJTCC. In 1987, Governor Kean created a cabinet-level task force. The task force's report, *New Jersey's Employment Challenge: Developing a Productive Work Force for the Future*, made specific recommendations about the Council's role. Most importantly, the report recommended that:

> "To provide effective and unifying direction to the employment and training system, the state should reconstitute the current Job Training Coordinating Council as an independent State Commission on Employment Training. This Commission should have the authority and structure necessary to exercise creative and consistent leadership."

Just this spring, the Governor raised the status of the SJTCC to that of a commission giving it additional authority to review all vocational education and training plans within the state, and the power to approve all programmatic and organizational changes within state training agencies.

Job training has been a major focus of Governor Kean, and he, in turn, has made the SJTCC the focus of his policy initiatives. The status of the Council comes from the attention the Governor has focused on the Council and from the Council members themselves. Although, the Council has only nine private sector members, one is a member of the Johnson and Johnson Executive Committee and Board, another is a senior vice president for human resources of a major insurance corporation, and a third is a national officer of a major union.

New Jersey has a number of innovative practices that deserve comment.

Task Force Concept

In part, because of its limited membership, the Council uses task forces to study particular issues. The task forces are chaired by a Council member, but membership includes representatives of all groups with a stake in the issue, such as representatives of other state agencies, SDA administrators, PIC members, and service providers. The task forces are given a one-page mission statement and a time limit. The task forces receive staff support from Council staff as well as staff from other agencies. When the work of the task force is done, they make policy recommendations to the Council. Issues being addressed by task forces include welfare reform, at-risk youth, information control, program quality standards, and worker adjustment.

Council Institute

The Council is in the process of establishing a "Training Institute". The purpose of the institute is to provide training to PIC members and SDA administrators. In the next year, the Council will invest $450,000 in the new institute which will be staffed by non-civil service staff.

Performance Standards

The Council has used its 6% to try to encourage SDAs to serve hard-to-serve populations and prevent creaming. Twenty percent of the 6% incentive funds are reserved for technical assistance. One-third of the remaining funds is awarded to SDAs for exceeding the standards, one-third for meeting a state retention standard, and one-third for serving more than the expected level of hard-to-serve participants such as welfare recipients and ex-offenders.

This change in standards is coordinated with the start of a state welfare reform program similar to GAIN called REACH.

REACH

REACH stands for *Realizing Economic Achievement*, New Jersey's welfare reform program. The program is just getting underway. At the time of the visit, the program was operating in five counties about to be implemented in five more, with three large urban counties to implement in fall of 1988.

The REACH program is similar to GAIN in that participation is mandatory to all welfare recipients with children over two. In addition, any welfare recipient may volunteer to participate. Participants may receive remedial education, job training or job preparation, and placement. After beginning work, recipients will receive health care benefits and child care for one year to assist them with the transition from welfare to work.

Like California, the program is administered at the county level and the local PIC must sign off on the county plan. Unlike California, it appears that in New Jersey local SDAs are playing an active role in the implementation of the program. Local SDAs are the presumed providers of job training services to

REACH participants. This year SDAs will receive two million dollars in new state funding to provide training to reach participants. Assessment of REACH participants is decided at the local level, but it is frequently contracted out to the local SDA.

Links with Job Service

In the past, the New Jersey job service has had a statewide contract to provide intake, job preparation, and placement services for SDAs. Now local SDAs can contract for these services as they wish. As a result, each local job service office must negotiate a contract with their local PIC/SDA. The job service continues to provide these services in most SDAs under a performance-based contract. Winning these contracts is a major goal of the job service, since its budget has declined as the state's unemployment rate has dropped to three percent. JTPA contracts have allowed the job service to maintain staff positions, and, in some cases, keep offices open. Each year the job service trains its local staff in how to negotiate with the local PIC/SDA to win contracts.

Displaced workers projects is another area where job service and JTPA have worked closely together. The Council established a plant closure response unit that is run jointly by the job service and the state JTPA office. The unit acts quickly to provide on-site services in cooperation with the local job service office and SDA when a plant closes.

Links with Education

Like most states, 8% funds for coordination with education are administered by the Department of Education. Unlike California, however, the primary link is with vocational education. Two out of three staff positions paid for out of the 8% funds are in vocational education with the third position in adult education.

Using 8% funds, the Department of Education created a glossary of education and JTPA terms to help providers funded under the different agencies understand each other.

The Council has also taken several initiatives to increase services with high-risk youth. First, Council allowed youth participants to be classified as family of one to ease certification. Working closely with Council staff, the staff of the State Department of Education's vocational education division developed four model programs for linking vocational education and JTPA at the school-level, and took the models out to the field and "sold them" to local vocational educators. The most widely used model uses 8% coordination money to fund cooperative education classes at the high school level to serve JTPA eligible youth. Another model program links JTPA and high school achievement. High school students in New Jersey must pass a state proficiency test to graduate. Students who fail the test in their junior year are eligible to participate in a school-based summer program where the school provides remedial instruction in the morning; and the local SDA places the student in a part-time job in the afternoon.

The Council has also worked with the State Department of Social Services to create a unique program to reach high-risk youth while they are still in school. The program which is jointly sponsored by the New Jersey Departments of Health, Education, and Labor has established service centers in 29 high schools. The service centers provide comprehensive services to youth in poverty at a single site including: mental health services, family planning, remedial education, transportation, day care, and employment services. Each center is linked to the local PIC. The scope of employment services is determined locally. Some SDAs have an employment counselor in the center, others just accept referrals. The Council has been an active supporter of the centers.

IX. FINDINGS AND RECOMMENDATIONS

In this section, we present a summary of our overall findings and our recommendations. The first part of the section includes an overview of the major study findings, drawn from all of the previous sections. We then present our recommendations to the Council. Each recommendation is supported by the appropriate finding.

A. OVERVIEW OF STUDY FINDINGS

This subsection presents an overview of the key study findings. The findings are organized according to the three research questions asked by the Council in designing the coordination study:

- *What role has the Council taken in its first years of operation? What role should the Council take in the future?*
- *To what degree has the private sector been involved in public job training in California? What benefits do employers perceive from participation in JTPA? What barriers still exist to their participation?*
- *To what degree has the Council been able to coordinate job training and economic development at the state level? To what degree are public job training, economic development, and social service programs coordinated at the SDA/PIC level? At the service provider level? How can coordination of these diverse elements be improved?*

1. ROLE OF THE COUNCIL

The primary role taken by the California Job Training Coordinating Council in the past four years of JTPA has been that of meeting its legislated activities, including the approval of service delivery areas, defining how JTPA was to operate in the state, and developing the Governor's Coordination and Special Services Plan (GCSSP).

Our review indicates that the Council has performed the basic activities needed to comply with the federal JTPA and with FESA.

In the course of carrying out its responsibilities, the Council has taken policy actions regarding several areas of job training. The major policy initiatives, and the order of their importance to the Council, were determined by the Council to be:

- *Communication and coordination with PICs/SDAs*
- *Setting aside incentive monies to encourage SDAs to serve high-risk youth*
- *Encouraging linkages with economic development by funding local and state level economic development activities and requiring coordination with economic development in the GCSSP*
- *Encouraging statewide planning and coordination of job training and social services by developing interagency agreements and funding planning and coordination efforts*
- *Coordinating JTPA with the state's welfare reduction program, Greater Avenues to Independence (GAIN)*
- *Increasing to seven out of seven the number of performance standards SDAs must exceed in order to be eligible for incentive awards*
- *Sponsoring projects to develop labor market demand and supply data*
- *Providing technical assistance in marketing and model marketing materials for PICs and SDAs.*

In the field work portion of this study, we examined the impact of each of these initiatives on other state agencies and on the SDAs and PICs.

Staff in other key state agencies involved in job training were equally divided between perceiving the Council as being effective in coordinating programs at the state level and having little effect. The most frequently mentioned positive efforts were the interagency agreements and the coordination outlined in the GCSSP. There were some barriers which were perceived to limit the Council's ability to promote coordination at the state level, including a history of turfmanship among state training agencies, the close identification of the Council with JTPA, and the perception that job training had a relatively low priority within the administration.

At the SDA level, the Council's policy initiatives were perceived by SDA staff and service providers as having had relatively little impact on job training programs at the local level. The initiatives that were perceived to have the most impact were setting aside the 9% funds for GAIN participants and economic development. The Council's initiatives regarding performance standards and targeting youth were perceived as having led to little change in the way an SDA structured its programs or contracted for services.

We should note that in other studies of JTPA, SDA administrators across the country have voiced similar comments about the minor impact of their state councils. The manner in which JTPA has been implemented in California does not differ greatly from that of other states. In most major states, for example, JTPA has been tied to a state welfare reform program, as JTPA has been linked to GAIN in this state.

Regarding the future role of the Council, interviewees in both other state agencies and the SDAs felt that the Council could achieve greater impact on the job training system by focusing its efforts on statewide policy issues and by acting as an advocate for policy issues at the national level. This policy focus also was echoed in our findings from SJTCCs in other states, in that the states with the most active councils were also those in which the council dealt primarily with setting statewide policy. Of interest is the finding that interviewees in California expressed the opinion that the Council needed to go beyond JTPA in its policy formulations, since the Council was uniquely situated to consider policy issues that crossed agency and program boundaries.

The Council had asked the study team to perform an analysis of the demographic and labor market changes taking place in the state to identify trends that may shape job training policy and strategy. Our analysis revealed key trends in three areas:

The Population

- *California's workforce is aging and will need continual retraining*
- *The entry level worker pool will be increasingly Hispanic, Asian, and immigrant creating an increased need for bilingual training*

Education

- *The population of "high risk" students, from backgrounds of poverty, crime, drug, and alcohol abuse is increasing*
- *Dropout rates are increasing, leading to increased unemployment among youth*

Labor Market

- *Increasing levels of illeteracy and growing literacy and computational requirements on the job create an increased need for work place literacy*
- *A decreasing pool of entry level workers and an increasing demand will create a shortage of entry level workers in the near future*
- *Most job growth will be in small companies with limited resources for training.*

2. PRIVATE SECTOR INVOLVEMENT

The Council requested the study team assess the degree of private sector involvement in JTPA, employer's perceptions of the program's benefits, responsiveness and preparation of trainees, and JTPA's support of economic development in the state. This subsection summarizes our findings in these areas.

The private sector is involved in JTPA at the local level primarily through links with local service providers. While many private employers reported that they learned about JTPA from a PIC member, their active participation came through hiring trainees or providing OJT training through a service provider. Less than half of the SDAs contracted directly with a private employer for training. The major findings are discussed below as they relate to the involvement of the private sector in these two avenues. Following that is a discussion of our findings relating to economic development.

Private Sector Involvement in Planning

At the state level, the private sector was intended to be integrally involved in the planning for JTPA by both the Federal Act and FESA. Of the 32 Council seats, 11, including the Council Chair, are set aside for representatives of business and industry. Currently, there are eight private sector members of the Council.

One frequently expressed comment regarding the Council was that the impact of the Council would be greater if it had representatives of major corporations serving as members from the private sector. This perception was shared by the staff in other state agencies, SDA administrators, PIC chairs, and service providers interviewed as part of this study.

At the local level, private sector representatives are mandated to be one-third of each private industry council. In our interviews with SDA administrators, we found that 43 percent indicated they experienced some difficulty in filling the business and industry seats on their PIC. Those who reported difficulty indicated problems in finding private sector representatives that were willing to make the time commitment.

In most SDAs, the administrator reported adequate levels of private sector involvement. Sixty-three percent of SDAs had top management from major local employers on the PIC. Most SDA administrators reported that employer involvement was at least somewhat effective in developing and steering job training policy. Sixty percent of SDA administrators indicated that the local business community was involved in at least one training program through the donation of equipment or staff. This finding should, however, be balanced against the findings from our interviews with PIC chairs in the ten case studies. The PIC chairs interviewed generally had limited knowledge about local job training programs, and 50 percent reported that private sector involvement was ineffective. This difference in perception could be due to the small PIC chair sample, or it may be indicative of real differences in the perception of private sector involvement.

Private Sector Involvement as Employers

To assess employers perceptions of the benefits of JTPA, we conducted a telephone survey of employers who were known to have participated in JTPA and a comparison group of random employers. We found a relatively high level of awareness of JTPA. Almost half (48 percent) of the randomly surveyed employers who had not participated in a JTPA program had heard of JTPA or their local private industry council.

Of those employers who had participated, the most frequent means of learning about JTPA was through direct contact with a local PIC member. PIC members may be the most effective means of involving new employers in JTPA programs.

Over half of the participating employers (55 percent) felt they had received benefits from participation. The benefits most frequently mentioned were the OJT wage subsidy (70 percent), having a reliable source of new employees (38 percent), having job applicants pre-screened (21 percent), reduced training costs (15 percent) and reduced recruitment costs (13 percent). Only 11 percent indicated there had been increased worker productivity from hiring JTPA trainees, and only four percent felt JTPA trainees had led to increased profits.

Among those employers who had participated, the major perceived barriers to businesses wanting to participate in JTPA were lack of awareness of JTPA (23 percent), a perception that the program entailed too much paperwork (11 percent), and a perception that JTPA trainees had poor levels of job readiness (12 percent). We should note, however, that 35 percent of the participating employers indicated they were very satisfied and 58 percent indicated they were somewhat satisfied, with the skill level and job readiness of their employees obtained through the program. Ninety-two percent indicated they would hire a JTPA trainee again.

The Council was interested in employers' perceptions of JTPA as compared to earlier public job training programs. Of the employers participating in JTPA, 25 percent had also hired employees from other public programs such as CETA. Of these, 25 percent felt that JTPA had a stronger focus on employer involvement, 37 percent felt JTPA provided a better match to employer's needs, and 38 percent felt the job readiness of participants was better. The remaining responses were predominately that JTPA was perceived to be the same as other public job training programs, especially in regard to the amount of paperwork.

A major finding that emerged from the survey and our visits to SDAs is that the primary link between JTPA and the private sector is through the service providers. Of the employers who were known to have participated in JTPA, 42 percent indicated they were not aware of JTPA. While we could have talked to a different person other than the one within the company who was coordinating the JTPA involvement, we gained the distinct impression that the employers were not aware of JTPA per se but were aware of the service provider who had referred the trainee. From the employer's point of view, he or she is not dealing with the SDA or the PIC as much as with the service provider who is arranging the OJT or presenting trainees for hire. Thus, the direct link with the employer is through the service providers, not through the SDA.

Economic Development

The Council asked the study team to explore economic development activities at the state and SDA levels. At the state level, we found the Council to be involved in economic development through the following actions:

- *Funding the Economic Adjustment Team in the Department of Commerce*
- *Funding technical assistance workshops*

- *Requiring coordination with economic development as a component of the GCSSP*
- *Funding local economic development projects out of 5% monies (from 1984 to 1985).*

Thus, the Council has made several efforts to link JTPA with economic development.

Our study found that linking job training with economic development was an emerging priority within SDAs. Eighty-three percent of the SDA administrators reported linking some of their programs to economic development. This linkage ranged from working with their local economic development corporation to obtain preferential or first source hiring agreements (65 percent of SDAs) to preparing joint promotional packages to encourage employers to move into the area or expand. Several of the SDAs reported having had economic development projects funded by the Council under 5% monies, a practice which they encouraged the Council to reinstate.

3. COORDINATION

The major issue for this study was the degree of coordination between JTPA and other public job training and social service programs at the state, SDA, and service provider levels. We concluded that the strongest degree of coordination and resource sharing is found at the service provider level. Our major findings from each level are summarized below.

At the state level, the Council has undertaken several activities to encourage coordination, including the development of interagency agreements, completion of the GCSSP and funding planning and coordination efforts among vocational education, community colleges, and JTPA. However, only half of the representatives of key state agencies interviewed as part of this study perceived the Council as having been effective in promoting coordination. These interviewees indicated a host of barriers which they believed limited the Council's ability to promote coordination, including the long history of conflict and turfmanship among state training agencies, the Council's close identification with JTPA, and their perception that job training was not a high priority for the current administration. There have been some changes since these interviews were completed in the fall, notably the establishment of an interagency work group under the auspices of the Secretary of Health and Welfare to address common issues of job training and job service.

The Council's impact on coordination at the local level is very limited. Essentially, local JTPA programs are driven by the risks and incentives created by the performance standards. The first priority of most PICs and SDA administrators is to meet the standards. A secondary priority is to respond to local concerns. Responding to the Council's initiatives or policies is a distant third. The lack of any clear cut relationship between the level of local coordination and performance indicates to us that investing a lot of time and effort in coordinating JTPA with other local programs is probably not perceived as an effective method for achieving the performance standards, and thus relegated to a low priority.

The bulk of local level coordination that was found occurred at the service provider level. We found service providers aggressively and creatively linked their programs with social service agencies and other training providers, when it was the best way to get their clients the services they needed to complete training or be placed. Coordination with GAIN and EDD occurred primarily at the SDA level, on an agency to agency basis, and was more removed from actual delivery of services.

In addition, we found that service providers were the primary link of the private sector to the JTPA program, and not the PIC or the SDA.

B. RECOMMENDATIONS

Our recommendations focus on improving the effectiveness of the Council; thus, there are many findings discussed elsewhere in this report that are not mentioned in this section, either because the Council's current activities in that area were perceived as effective, or because the finding was of a descriptive nature that did not lead to a recommendation. Prior to acting on the recommendations, they should be prioritized by the Council in order to most effectively utilize limited staff resources.

Our recommendations are organized as they relate to four thematic findings:

- *The perceived need for the Council to focus on state level policy direction in job training*
- *The need for state level integration of job training and placement advisory functions into a single entity, and enhanced coordination and collaboration with other state agencies*
- *The potential for improving coordination at the local level by fostering partnerships between local government entities*
- *The perceived need to enhance Council membership and capacity.*

1. FOCUS ON POLICY

RECOMMENDATION 1: The California State Job Training Coordinating Council should focus its efforts on providing broad policy direction for public job training in the state.

In almost all of our interviews with SDA administrators and service providers, as well as with representatives of other state agencies involved in job training, the Council was perceived as having a greater potential for impact on the job training system by focusing on statewide policy. There has been very little active leadership from any of the state agencies involved in employment preparation regarding overall job training policy and goals. Despite the initial controversy at the local level, particularly among SDA directors, the development of a California Jobs Policy is a significant effort towards a comprehensive statewide policy.

The California State Job Training Coordinating Council is perhaps the only body in the state that has the direct charge to "promote integration of employment and training programs and resources at the state level (FESA, Section 15035)." Thus, it is in the unique position of having legislative authorization to transcend the single program that created it (JTPA) and seek coordination among all state of California employment and training programs.

The Council currently is functioning in the dual role of an administrative body as well as a policy making body. Our findings indicate a strong perception that policy has taken a secondary role to administration in Council actions, and that the real need for overall state level policy has been met sporadically rather than systematically. We recommend that the Council divest itself of administrative activities and focus its efforts on policy.

The recommendations that follow stem directly from this emphasis on policy.

RECOMMENDATION 2: The Council should identify statewide job training issues, set priorities, and reinforce those priorities with performance standard modifications or changes to the incentive structure.

The Council is uniquely situated to set statewide priorities for job training and to provide direction to the state's job training programs. The Council has already begun to do this with its Youth initiatives. Our research indicates all segments of the employment preparation system agree setting statewide policy direction is an appropriate role for the Council.

The areas of statewide priority could be identified in a number of ways. Certainly, the Council could respond to the Governor's priorities. This study has identified several topics and issues that could serve as candidates for statewide priority.

The California demographic analysis discussed in Chapter VIII of this report indicated four constituencies that are in special need of job training emphasis:

- ***Bilingual programs*** *to serve the increasing population of immigrants in the state workforce. We should note that 64 percent of the SDAs reported they already had bilingual programs*
- ***Worksite literacy programs*** *for the increasing percentage of the workforce that is illiterate*
- ***Older worker retraining programs*** *for an aging workforce*
- ***High risk youth programs*** *to target training to the increasing number of high school dropouts.*

From our visits to SDA we identified the following system issues for priority focus:

- **Economic Development**

  The linkage between JTPA and economic development was mentioned again and again as an emerging emphasis at the local level. Up through 1985, the Council provided grants from 5% monies to SDAs for the express purpose of fostering coordination with economic development programs. As one means of encouraging coordination with economic development at the local level, the Council should consider reinstating this program. Several SDAs mentioned that these monies had served as a catalyst for coordination with economic development.

- **Performance Standards Modifications**

  With the recent increase in the number of performance standards to 12, the Council will need to carefully review these standards to ensure that they do not conflict with the State's or particular local job training priorities. In those cases where the standards act as a disincentive to serving statewide or local priorities, the Council should seek variances to the standards, or change the formula for awarding 6% incentive monies.

- **Recapture and Reallocation of Unspent Funds**

  The Council has already begun work to establish a policy regarding the recapture and reallocation of unspent JTPA funds. Such a policy is crucial to ensure that all available funds are spent. We found strict recapture policies in a few other states, including Arkansas, Illinois, and North Dakota.

- **Coordination with GAIN**

  We found relations between GAIN and JTPA at the SDA level to be contentitious in many SDAs. Part of the difficulty appeared to be systemic differences between a locally driven program (JTPA) and a state agency program (GAIN through DSS). There were, however, areas such as eligibility requirements in which policy actions at the state level by the Council might encourage cooperation.

- **Relations with Employment Training Panel Programs**

  The Council approached ETP on several occasions to improve the coordination between ETP programs and JTPA Title III programs. These efforts have not yet resulted in any major agreements. Nonetheless, the Council needs to continue efforts to reach some agreement with the Panel on coordinating the two programs. This agreement will be even more essential as the Council seeks to coordinate the activities of the state level dislocated worker unit to be designated under the federal Economic Dislocation and Worker Adjustment Assistance Act.

- **Local PIC Development**

  There is an ongoing need for training of new local PIC members and training of existing PIC members in program changes. The Council has sponsored seminars and other activities for PIC members, but given the need found in our site visits, the Council should consider becoming more active, perhaps by establishing a formal PIC training institute.

On the same two-year cycle as the SDA Job Training Plans, the Council should reach consensus as to one or two of these or other issues for priority. These priorities should be reinforced by selective use of 6% incentive monies, similar to the Council's Youth incentive, or by alteration of the performance standards. The purpose of the incentives is to encourage SDAs to contract for programs within the statewide priority areas.

There is some precedent for the use of incentive monies in this manner from other states. For example, Iowa established an eighth performance standard, as allowed by law, which is a standard for serving the hard to serve. The state's incentive monies are divided into eight pools corresponding to the seven federal and one state standard, and are awarded to SDAs for each standard exceeded. Minnesota divided its incentive monies so that half goes to SDAs that exceed a state standard on service to welfare recipients and half goes to SDAs that exceed five of seven federal performance standards. In our survey, we found six states that had established separate incentive award pools for serving targeted client groups.

We should note that inherent in this recommendation is the intention that the Council go beyond just JTPA in identifying policy issues. The Council has the authority to include all issues that relate to all areas of the state's job training system.

RECOMMENDATION 3: The Council should initiate a series of policy seminars to assist in the ongoing identification of priority areas and areas for further study.

To assist the Council identify and select priority areas, the Council should sponsor a series of policy seminars throughout the state. Invitees should include key constituent groups such as service providers and business persons as well as SDA staff and PIC members. The goal of the seminars is to assist the Council identify a list of issues for potential priority. These seminars should then be followed with a Council meeting designed to help the Council reach consensus on the two or three issues that the Council should focus on for the next two-year cycle. A side benefit of the seminars is that the discussion process will draw in the SDAs and service providers, and will help to develop a statewide consensus as the critical issues.

RECOMMENDATION 4: The Council should establish task forces to develop recommendations for action for each priority area.

Once the priority areas have been identified, the Council should establish task forces to study those areas in depth and develop recommendations for action for presentation to the Council. These task forces would function as Council committees, but would have a defined term and a specific product to be produced. In most cases, the lifetime of such task forces should be no more than 18 months, and the resulting product would be a report or list of recommendations for action to be presented to the full Council for discussion and approval. We suggest that persons outside of the Council membership be asked to serve on a voluntary basis on these task forces as needed to provide expertise in a particular issue/area under study. Similarly, the task forces could have persons from other state departments serve as staff. We specifically suggest that the Council consider asking SDA administrators to serve on various task forces, thereby providing them with a more formal means of submitting policy suggestions to the Council.

One benefit of the task force concept is that it provides a more fluid structure for Council committees. As a corollary to the task force concept, we recommend certain changes to the Council's current committee structure. We recommend that the only standing committee be the Operations and Oversight Committee. The current Youth and Marketing Committees are similar in function to the proposed task forces, and should be disbanded. Prior to being disbanded, these committees should identify the issues currently before them. Those issues could then be presented to the Council for consideration as issues to be addressed by specific task forces.

The functions of the Planning and Coordinating Committee would either go to specific task forces charged with exploring coordination with a particular segment of the employment preparation system, or to the Operations and Oversight Committee. Under our recommended structure, all Council members would also be members of the Operations and Oversight Committee, or one of the two or three task forces.

RECOMMENDATION 5: The Council should request timely evaluation information regarding all JTPA-funded programs from the various agencies charged with administering those funds.

In order for the Council to make informed policy decisions, the Council must have timely access to evaluative and descriptive information regarding funded programs. Currently, summary data are provided by JTPD as part of the Annual Report to the Governor, and the FESA legislation requires an annual evaluation of JTPA programs for the Legislature. However, there is no formal mechanism for evaluative reporting directly to the Council from JTPD, or from any of the state agencies awarded JTPA funds for special projects. For example, there is no formal reporting system regarding the State Department of Education's use of Title IIA 8% funds or the funding provided for

VOICE, or from the Department of Commerce regarding the JTPA funds provided for the Economic Adjustment Teams. The Council should require that all state-level entities receiving or administering JTPA funds be evaluated by JTPD or an independent third party, and the results reported directly to the Council or to the Operations and Oversight Committee on at least an annual basis.

As part of the Council's policy decisions, the Council should determine the evaluation questions it would like answered, as well as the format for presentation of the desired information. Most the data available from the SDAs are provided for compliance purposes, and thus, may not be in the format needed to answer evaluative questions. Considerable work may be needed to reorganize the data into a format that provides answers to policy questions, as our study team found when trying to develop the trend data discussed in Chapter VII of this report. Nonetheless, in order for the Council to make effective decisions, such data are critical. Examples of the type of policy data needed are data on participant characteristics and cross-tabulations of performance data by program data.

The Council also needs to develop an understanding of the limitations on the compliance data reported to JTPD. There are many ways of reporting data, and with the heavy emphasis on performance standards, the incentive for both a service provider and the SDA is to report data in as favorable a manner as possible. For example, we were told by one service provider in our SDA visits that the agency had a high performance level simply because enrollments were not reported until after the clients had been placed in a job.

> **RECOMMENDATION 6: The Council should establish sunset provisions for all specially funded projects, including those funded through interagency agreements.**

One means the Council has to influence JTPA policy in the state is the use of the Governor's 22% money. Much of the 8%, 6%, 5%, and 3% funds are allotted by the Council for a variety of state-level projects and programs. Currently there is no time limitation on the use of these funds, except renewal through the annual budget process. We recommend that the Council establish a time period for the unchallenged use of these funds. At the end of this period, the Council should closely examine the results of the project or program and make a determination as to whether the funding should be continued, at what level, and whether the Council's needs would be better served by soliciting bids for the provision of the program. To give both the funded agency and the Council a clear understanding of what the project is to accomplish and what reporting is required, the Council should establish evaluation criteria for each funded program.

Periodic scrutiny is important to ensure that the Council's funds are being expended on Council priorities. To the extent that these priorities change, the Council should defund some programs to enable funding of others. Having a fixed term of funding ensures the funded agency of monies for a given period, and provides a logical timeframe for in-depth review of those expenditures by the Council.

RECOMMENDATION 7: The Council should act as an advocate at the national level for California's job training priorities.

Once the Council has identified statewide priorities, the Council should serve as the linkage between the state and the federal Department of Labor to obtain any variances necessary to enable California to meet its priorities under the Act. The Council is the entity responsible for policy, and it should take the role of serving as an advocate for California's concerns in JTPA nationally.

Support for a more active role for the Council in communication with DOL was found in our interviews with SDA administrators and service providers. SDA administrators felt that the Council could provide more effective assistance to local programs by acting as advocates in supporting or opposing DOL proposals. It is likely, however, that SDA administrators envisioned the Council as relaying SDA concerns to the national level. Our intention here is for the Council to advocate not just for SDAs, but for the entire state.

As an example of how the Council might become involved at the national level, there have been several studies of JTPA that have found that the performance standards act as a disincentive to serving clients in need of long-term training, such as non-English speaking persons or welfare recipients. To the extent that the Council determines that serving these constituencies is a statewide priority, the Council should seek relief from the applicable DOL performance standards.

We recognize that the Council's ability to be active at the national level may be limited by the available resources and staff. Nonetheless, the SJTCC of the world's seventh largest economy has a unique leadership role to play in establishing and maintaining its own job training priorities.

RECOMMENDATION 8: The Council should give the Job Training Partnership Division (JTPD) staff major responsibility for approving requests for discretionary grants.

The Council currently approves certain discretionary grants on a case-by-case basis. These include the Title III statewide discretionary programs, Title IV(c) veteran's program, and the Title IIA 8% education, and coordination projects administered by the State Department of Education. In order for the Council to fully focus its scarce resources on policy, we recommend that the Council give the Job Training Partnership Division (JTPD) the responsibility for approving SDA requests for the Title III, Title IV(c) and Title IIA 8% projects. The role of the Council should be to determine whether the funds should continue to be allocated as in the past, set priorities for the use of the funds, and set guidelines for the evaluation of the proposals and projects. JTPD staff should conduct the administrative duties relative to the review of each application, and should report in a timely manner to the Council the projects awarded.

The Council should also remove itself from the appeals process for the award of these funds. An administrative appeals board could be created, with varying membership, depending on the type of funds being appealed.

We understand that some members of the Council may view the direct allocation of projects as a major lever to impact SDAs. We suggest, however, that the Council's real leverage and potential power lies in setting the overall policy guidelines for the use of these funds, and in exploring variations to the performance standards to encourage local level programs focusing on Council's priorities.

Along with this transfer of function, however, the Council should ensure that JTPD develop a timely approval process. One of the most frequently mentioned comments from our SDA visits was the perception that approval of Title III discretionary grants took far too long, and was essentially a dual process -- one for the Council and one for JTPD. Given the supposed emergency nature of such requests, we suggest that JTPD design a system permitting a four to six week timeframe for approval.

2. INTEGRATION OF JOB TRAINING ADVISORY FUNCTIONS

As noted earlier, one of the major functions of the Council is to promote the integration of employment and training programs and resources at the state level. The following recommendations are aimed at improving the coordination among the agencies involved in job training.

RECOMMENDATION 9: The Council should seek to have one policy body designated for all employment training and job placement programs in California.

The concept of having one policy body that would provide oversight and direction to all job training programs in California is not new. This concept appears to be advanced on a five-year cycle, most recently in 1983 by the Assembly Office of Research in their report *Training Tomorrow's Workers: A Critical Evaluation of California's Employment Preparation Programs and Proposals for Change*. Their report recommended consolidating all employment and training programs for adults under the State Job Training Coordinating Council. The report even included sample legislative language for effecting such change.

On the national level, the National Alliance of Business, in their 1987 report on JTPA operations at the local level, made a similar recommendation to councils nationwide. We found some states, notably Florida and Minnesota, have already taken actions to consolidate the advisory functions of various employment programs. In Florida, for example, the SJTCC also serves as the Job Service Advisory Council for Wagner-Peyser programs, and the Labor Market Information Advisory Committee authorized by both JTPA and the Carl D. Perkins Vocational Education Act.

The single board proposed here would serve to integrate all employment training and job placement oriented programs in the state, including the Wagner-Peyser job service, JTPA programs, the California Employment Training Panel, and the training and placement aspects of GAIN. The thrust of the Carl D. Perkins vocational education programs, while having some areas of overlap with job training, is sufficiently different that it should remain separate. Similar to Florida, though, the single board could take on the responsibilities of the California Occupational Information Coordinating Committee.

The most effective means of achieving integration of the various state and federal job training and employment programs is to have a single policy making body. As we observed in other states, there are a variety of organizational structures such a body could take. However, within California, the Council is uniquely constituted to be the polikcy making entity, as was intended by JTPA and FESA.

At the same time, we recognize the political realities that have prevented the previous creation of a single policy board for job training within the state. Such a recommendation is an ideal that would take time and legislative intervention to achieve. Accordingly, we present below several recommendations for the Council to effect further coordination with the various state level agencies without the need for legislative action.

RECOMMENDATION 10: The Council should encourage inter-departmental work groups to expand coordination among employment training programs at the state level.

Interdepartmental work groups can be a very effective means of expanding state level coordination among programs. In the State of New York, for example, the legislature mandated that twelve key state agencies meet on a monthly basis to review JTPA policy and regulations, and to disseminate information about upcoming proposals and planning cycles.

We understand that the Health and Welfare Agency has recently instituted an Employment Training Coordination Group, composed of the administrators or executive directors of Job Service, JTPD, ETP, GAIN, and the Council. We support such a group and recommend the Council encourage the group to invite members from other departments with employment programs, such as the Department of Aging.

The major focus of this group should be on coordinating the provision of services to clients, with special attention to streamlining procedures for joint funding of job training projects and programs.

RECOMMENDATION 11: The Council should develop a program to cross-train state staff among the various agencies involved in job training and placement.

While state staff do move from one agency to another in the course of their careers with the state, it is more often the case that a state employee will become very knowledgeable about the programs in their department, and have only cursory knowledge of a program in another department. We recommend that the Council develop a program whereby staff from various other job training or training related programs are loaned to the Council for a short period of time, for example, six months.

RECOMMENDATION 12: The Council should seek to enhance coordination with vocational education by working with the Joint Policy Advisory Council on Vocational Education.

The Board of Education and the Board of Governors of the California Community Colleges have recently reinstated the Joint Policy Advisory Council on Vocational Education. This council is composed of three members of the Board of Education and three members of the Board of Governors, and is staffed by the personnel of the vocational education units in SDE and the Chancellor's Office. The purpose of the committee is to develop joint policy positions regarding vocational education, to share information about issues, and to resolve coordination problems. We understand the Joint Policy Advisory Council is in the process of preparing a state plan for vocational education that includes policy directions.

The Council should seek to have one or more Council members, or the Council Executive Director, appointed as liaison to the Joint Policy Advisory Council, in the interests of furthering the exchange of information about job training programs and fostering coordination between JTPA programs and the vocational education community. This coordination is especially crucial in light of our finding that 86 percent of the SDA's had contracts with one or more school districts or Regional Occupational Programs/Centers (ROP/C's), and with community colleges for the provision of training services to JTPA clients.

We should note that there is no automatic linkage between the Council and the vocational educational community through the Council membership. Neither the representative from the Chancellor's Office of the California Community Colleges, nor the representative from the SDE is that agency's director of vocational education.

RECOMMENDATION 13: The Council should work with the Department of Social Services to develop joint eligibility standards for GAIN and JTPA clients.

During our SDA visits, we observed that most SDAs were having difficulty achieving coordination with their local GAIN (Greater Avenues for Independence) program. GAIN is a statewide initiative designed to reduce welfare dependency of recipients of Aid to Families with Dependent Children (AFDC) by providing a comprehensive range of remedial education, training, employment, and supportive services. To encourage cooperation with GAIN, 50 percent of the JTPA 8% education coordination monies were allocated to SDAs to serve GAIN eligible participants.

Both SDA administrators and local GAIN coordinators expressed frustration over certain perceived barriers to coordination. One such barrier was in the intake procedures participants go through in order to establish eligibility for both GAIN and JTPA services. We received several suggestions that both eligibility processes could be streamlined into one. We recommend the Council explore with the Department of Social Services the feasibility of a certificate which, once a welfare recipient was certified as GAIN-eligible, would also certify them as being JTPA-eligible. The advantage to such a certificate is that the participant then does not have to go through two intake processes, which may be at different times in different locations.

RECOMMENDATION 14: The Council should provide specific policy guidelines and models for coordination of GAIN and local JTPA programs.

As mentioned above, one finding that emerged from our interviews in the SDAs was that coordination between GAIN and local JTPA programs was difficult to achieve. A barrier to coordination that frequently mentioned the perception that the state had mandated that both GAIN and JTPA serve similar clients partly with the same funds, but had not provided the direction or leadership on how to make the appropriate linkages. This perception, in part, was due to the differences in the administrative systems for GAIN and JTPA. The welfare system is centralized at the state level and is a top-down system. The JTPA system, one the other hand, is a bottom-up system with a focus on local level autonomy. Finally, SDA boundaries are not always contiguous with the county GAIN boundaries. Creating situations where GAIN planning must involve several -- often very different SDAs.

Coordinating two such different systems is difficult. We recommend that the Council take a more active stance in providing specific guidelines and models of coordination between GAIN and local JTPA programs. These guidelines should state exactly what level and type of coordination is intended (e.g., joint intake, co-location of programs, contracting with the SDA for services, contracting with the SDA's JTPA service providers for services to welfare recipients). The Council should consider sponsoring a joint GAIN/JTPA conference to disseminate the developed guidelines and model programs.

RECOMMENDATION 15: The Council should seek legislation clarifying the ability of public entities to enter into performance based contracts.

There have been conflicting opinions as to whether, under state law, a public agency may enter into a performance based contract. Several community college districts, for example, have taken the position that they could not jeopardize public funds and accept performance based contracts. Other community college districts already have performance based contracts with their local SDA or from ETP.

Recently, the ban on contracting between local EDD offices and SDAs for services has been lifted. However, local EDD officials perceived that this new ability to contract did not include the authority to enter into performance based contracts that involved risk. This barrier could be overcome by using Wagner-Peyser 10% funds to guarantee the performance of EDD offices.

Since most SDAs rely on performance based contracting for the provisions of services under JTPA, a real or perceived inability of public agencies to enter into performance based contracting may create a barrier to coordination. Accordingly, we recommend the Council seek clarifying legislation to permit public institutions to enter into performance based contracts.

RECOMMENDATION 16: The Council should work with the Employment Development Department to develop clear policies permitting sharing of credit when both the local EDD and JTPA programs serve the same client successfully.

We found a great deal of confusion at the local level over the sharing of credit for employment placement between JTPA service providers and local EDD offices. Most of the interviewees believed that only one agency could receive placement credit for a single client. Thus, there was a perceived disincentive for JTPA service providers to use EDD services.

During our visit to the SJTCC in Florida, we found that they had developed a rather complex model for sharing of placement credit between job service and JTPA. Their model, discussed in Section VI, takes into account the degree of involvement of job service and JTPA in client referral and placement.

We recommend that the Council work with EDD to develop a clear policy permitting sharing of credit when a local JTPA program and a local EDD office serve the same client successfully. This recommendation parallels one made by the National Alliance for Business in their recent study of JTPA operations at the local level. A critical feature in the implementation of this recommendation is to ensure that the policy be widely disseminated not only to EDD offices and SDAs, but also to JTPA service providers.

RECOMMENDATION 17: The Council should encourage cooperation and coordination of Title III displaced worker programs with the Employment Training Panel.

A key coordination issue facing the Council is coordination with the California Employment Training Panel. The Employment Training Panel (ETP) is a State of California program funded from unemployment insurance monies to provide training and jobs for unemployment insurance recipients, and retraining programs for persons likely to become unemployed. Some ETP trainees also qualify as JTPA Title III dislocated workers' programs. Thus, there is a great deal of overlap in potential clients for the two programs.

The two programs differ in certain important respects. First, ETP projects are approved on a case-by-case basis by the Panel. Only through recent legislation was the Panel empowered to contract with SDAs for programs. This statewide approach has given the Panel the flexibility to direct monies to areas of greatest need. At the same time, the statewide focus of ETP has led to accusations from SDAs that ETP has not provided sufficient notice of proposed projects in their area.

ETP only uses 100 percent performance-based contracting. This means that a contractor is liable for the entire cost of training if a trainee is not placed in an occupation for which he or she was trained for 90 days. These contracting requirements are stricter than those imposed by most SDAs. The typical JTPA performance based contract holds the contractor liable only for a certain percentage of the total cost of training if placement is not made, and placement is usually counted successful if the trainee is placed for a 30-day period.

The Council has made several attempts to develop an interagency coordination agreement with ETP. In 1984, the Council approved an outline for a formalized memorandum of understanding with ETP. Among the provisions of the MOU was the inclusion of the other entity in the review of programs and in program planning. Last year, the Council presented a proposal to ETP whereby the Panel would set aside a pool of funds which local PICs would apply for and then administer as a match to their Title

III allocation. This proposal was rejected as the Panel felt it could not delegate its contracting authority to the PICs, thereby enabling the PICs to develop contracts with employers without having to seek Panel approval for each separate contract.

Because of the overlap between the two programs, there is a real opportunity to maximize the use of federal and state funds in jointly funded programs for displaced workers. The current relationship between ETP and JTPA must be set aside and a real linkage formed.

We suggest that the Council establish a pool of Title III monies that could serve as a matching fund for ETP projects. The Council could set aside a certain percentage of the discretionary 50 percent, and could add to this any recaptured Title III funds. ETP contractors would apply for JTPA funds through their local SDA, or through the SDA in which they were headquartered. JTPA funds could be used to encourage programs to enroll non-ETP eligible participants who are JTPA eligible.

At the least, the Council and Panel should develop a formal coordination agreement that includes formal sharing of information about displaced worker projects. The Council should also monitor ETP projects awarded to SDAs.

RECOMMENDATION 18: The Council should work with the Department of Commerce to develop a mechanism to notify SDAs when a new employer is planning to move into the area.

The Department of Commerce is charged with assisting business and industry in locating or expanding in California. When the Department is involved in a business relocation, in most cases, the local economic development agency either informs or actively involves the SDA. During our interviews with SDAs, however, we were told of instances in which this communication did not occur. Such information is essential for SDA planning purposes.

We recommend the Council work with Department of Commerce staff to develop a formal mechanism for informing the SDAs when a new employer is planning to move into the area. We also suggest that the Council work with the SDAs to develop lines of communication so that the Department of Commerce Economic Adjustment Teams are notified when there is an impending plant closure in the SDA.

3. FOSTERING LOCAL PARTNERSHIPS

One of the major findings from this study was that about one-third of California's 51 SDAs had developed effective public and private sector partnerships, as was intended in the JTPA legislation. The remaining SDAs, however, are still moving toward effective partnerships. Assisting SDAs develop such partnerships is a goal of the Council. The following recommendations focus on actions the Council may take to encourage and foster such local level partnerships.

RECOMMENDATION 19: The Council should develop a formal mechanism to obtain ongoing input from JTPA service providers.

Just as the success of JTPA on a statewide basis depends on the success of the programs at the SDA level, so too does the success of an SDA depend on the success of its service providers. In most SDAs in California, actual job training and placement services are provided by contract service providers. Our study indicates the concerns of the service providers, and the impact of Council policies on them, may differ from those of the SDA.

In our visits to the SDAs, we found that service providers felt they were too distant from the Council and were often screened from the Council by the SDAs. While almost all of the service providers we interviewed were aware of the Council (86 percent), only 26 percent had had any contact with Council members or staff, and the majority lacked sufficient information about the Council to judge the Council's effectiveness at fostering coordination at the state or local levels. At the same time, most service providers indicated they wanted a direct link with the Council.

At the present time, the Council has limited means of obtaining direct input from service providers. As directed by FESA, one member of the Council is a representative of community based organizations. The recent federal Economic Dislocation and Worker

Adjustment Assistance Act expands the labor union and community based organization (CBO) representation on the Council. However, our study has shown that California's JTPA service providers include significant numbers of ROPs, school districts, community colleges, and proprietary schools in addition to CBOs and labor unions. Eighty-six percent of the SDAs have contracts with at least one school district or ROP, and 62 percent with at least one community college district, while 86 percent have contracts with a CBO and only 18 percent have contracts with a labor union.

While we recognize that some SDAs will want to remain in control of the information provided to or from "their" service providers, we feel it is essential that the Council have a means of obtaining direct input from this important segment of the job training system. The Council should establish a formal advisory group composed of representative service providers from around the state to provide feedback on proposed policy or to raise issues for Council consideration. Such an advisory group would be formed by requesting each of the SDAs on the SDA advisory group nominate two service providers. In this manner, the membership of both advisory groups would change in parallel. The Council should also consider asking service providers to serve as members of the ad hoc task forces recommended in Recommendation 4.

RECOMMENDATION 20: The Council should continue to market public job training on a statewide basis, and to provide technical assistance in marketing to SDAs.

Our findings indicate the marketing activities undertaken by the Council had a high visibility with local SDA staff. While many of the larger SDAs had active marketing programs, smaller SDAs appeared appreciative of the Council-sponsored seminars, programs, and materials developed to provide technical assistance in marketing. During our visits to SDAs, ninety percent reported having sent at least one staff member to a Council sponsored marketing seminar, and 45 percent reported using the Council developed marketing materials.

In addition, the most frequent barrier to participation in JTPA mentioned by employers in our survey was lack of knowledge about the program. A continued effort at marketing job training services is needed to inform employers of the wide array of programs available.

We recommend that the Council continue to market public job training programs on a statewide basis. Following suggestions made by staff in other state agencies, we recommend that the Council market all public training programs jointly with other state agencies rather than focus on marketing only JTPA.

RECOMMENDATION 21: The Council should expand its marketing technical assistance to include service providers.

Ultimately, it is the performance of the service providers that determine how well an SDA, and hence the state, performs relative to the performance standards. The larger SDAs do occasionally offer training programs for their service providers, and the Council has made its marketing seminars open to service providers through the SDAs. However, there has been no systematic effort to reach service providers directly to make them aware of the availability of such training. Of specific interest to service providers was training in marketing strategies, especially on how to reach potential employers. We recommend the Council expand its marketing technical assistance seminars and programs to provide direct training for service providers.

RECOMMENDATION 22: The Council should increase its efforts to identify and disseminate information about model programs.

Frequently mentioned by SDA staff and by service providers was the need for the Council to become more active in identifying and disseminating information about model programs. The Council currently is providing funds to VOICE (Vocational Information Center) in the State Department of Education to serve as a repository and dissemination center for information and reports regarding JTPA programs. This is, however, a passive dissemination effort, in that the SDAs must go to VOICE to obtain information.

The Council does have two active dissemination activities: the newsletter and conferences. The PARTNERSHIP newsletter has been published for almost two years. We found relatively high penetration of the newsletter among SDA administrators, in that 90 percent reported they read it. We recommend the mailing list for the newsletter be expanded to include service providers, local economic development officials, local

GAIN coordinators, and other interested persons outside of the SDA/JTPA system. The conferences and seminars sponsored by the Council are also an effective means of disseminating "nuts and bolts" about how model programs actually work. We recommend the Council continue to fund conferences that include dissemination of model programs. The Council could also disseminate information through the interdepartmental work groups.

The model programs selected for dissemination should include not only exemplary job training programs, but models of interagency coordination and economic development projects.

4. ENHANCING COUNCIL MEMBERSHIP

One of the most frequent findings regarding the Council was the perception that the Council itself needs to be enhanced in order for it to take a policy making role. The following recommendations are aimed at enhancing the Council's membership.

RECOMMENDATION 23: The Council should seek to have all vacant seats filled in a timely manner.

According to the Family Economic Security Act (FESA), the California Council has 32 members. At the beginning of this study in October, 1987, seven seats were vacant: three local government, two private sector, one proprietary school, and one constituent representative. As of July, 1988, there were still four vacant seats: one local government and three private sector. The composition of Council membership is carefully defined by FESA, and in order to maintain the representation and balance envisioned, it is imperative that vacant seats be filled as soon as possible. It is especially crucial to the intent of the Act that the private sector seats be filled.

We recommend that the Council explore ways to assist the Governor's Office in filling vacant Council seats, perhaps by providing periodic lists of eligible candidates.

RECOMMENDATION 24: The Council should seek to fill the vacant private sector seats with business representatives from large employers of statewide significance, or persons with leadership positions within the statewide business community.

A frequently expressed perception of the California Council was that the Council's potential impact on the state's job training system was limited as long as the private sector members did not include representatives of any major corporations with significant statewide impact. This perception was shared by both staff in other State of California agencies and SDA administrators and staff. Staff in several state agencies suggested that appointing the chief executive officers of some major corporations would both enhance the Council's image and increase its ability to access and involve the private sector. A similar perception was expressed by councils in other states. They felt that their council's impact was directly related to the strength of the private sector members.

While the current private sector members on California's Council represent a wide variety of types of businesses, they are predominately from small and medium sized businesses. There is no representative from a major statewide employer. Our data indicates that such representation would enhance the Council and provide greater avenues for contact with the larger business community. We recommend that the Council seek to have vacant private sector seats filled with business representatives from large employers with statewide significance, or persons with leadership positions within the business community.

The federal Economic Dislocation and Worker Adjustment Assistance Act, recently signed into law as part of the Omnibus Trade and Competitiveness Act of 1988, mandates certain changes in the membership of SJTCCs. The major changes include the reduction of state and local government members from a total of 40 percent to 30 percent of the members, and a new requirement that 30 percent of the council's membership be representatives of organized labor and community based organizations and ten percent be from the general public. The Act specifically suggests that the business and industry representatives include "individuals who are ... on private industry councils within the State." This means that the business representatives would come to the Council with some prior knowledge of JTPA and the intent of the Act. We have some reservations regarding potential conflicts of interest for current PIC members to serve on the Council, and recommend the Council revise its by-laws to preclude PIC members who are also Council members from voting on any issue that directly affects their SDA.

RECOMMENDATION 25: The Council should establish a formal term of service for its members.

Currently all Council members, except those state government members designated by law, serve continuously at the pleasure of the Governor. The Council bylaws do not mention a fixed term of service, nor do they indicate that Council members automatically tender their resignations to a new Governor under a change of administration.

We recommend the Council establish a fixed term of service for members. A fixed term enables prospective Council members to plan their term in advance. It also provides a systematic means of bringing in new Council members with new perspectives. We found fixed terms of service in several other states. In Florida, for example, all SJTCC appointments are reviewed for renewal on a yearly basis. In Illinois, Council members serve two year terms. We suggest California's Council consider three or four year terms, with terms being staggered so that one-third (or one-fourth) of the members' terms expire each year. We feel the longer terms are justified given the complexity and size of JTPA in the state.

RECOMMENDATION 26: The Council should rescind the ability of designees to vote in Council meetings.

Under the current Council bylaws, the state government and legislative members of the Council may appoint designees to attend and vote at Council meetings. We understand the practicalities of this arrangement, given the busy schedules of legislators, the Superintendent of Public Instruction, the Secretary of Health and Welfare, and the Chancellor of the California Community Colleges. At issue is the current practice of some government members to have their designees send designees to Council meetings. The power and impact of the Council becomes diluted the further away voting members get from the positions specified by FESA.

We should also note that permitting the state government and legislative members to send designees to Council meetings, but requiring the private sector members to attend in person, implies that the time of the state government and legislative members is somehow more valuable than that of the private sector members. If the Council adopts our Recommendation 25 and seeks to include representatives of major statewide employers on the Council, then the Council should either permit all members to send designees, or eliminate the ability of some members to do so. We recommend the Council rescind the ability of designees to vote in Council meetings. Designees may still attend meetings, but we recommend that voting privileges be given only to Council members.

RECOMMENDATION 27: The Council should continue to hold Council and Council committee meetings in various locations around the state.

One comment frequently received from both SDA staff and service providers in our interviews was that they felt the Council was too removed from local operations. Until the Council began a systematic effort to hold meetings outside of Sacramento, few of the local members of the JTPA training system had been to a Council meeting (unless they had an item on the agenda).

We recommend that the Council hold no more than two of its six bimonthly meetings each year in Sacramento. The remaining four meetings should be held in various locations around the state. Similarly, Council committee or task force meetings should also be held in geographically diverse locations. We understand the cost implications to holding meetings outside of Sacramento, but feel that the benefits of increased access by local members of the job training system to the Council and Council Committees will compensate for the additional expense.

The Council should also make a greater effort to publicize its meetings, perhaps by expanding the mailing list for the **PARTNERSHIP** newsletter to include service providers, local EDD offices, local GAIN coordinators, and others within the job training system.

5. FUTURE STUDIES

After the conclusion of any study of this nature, there are issues which require further study, or areas in which the study team feels technical assistance may be needed. In this section, we present our recommendations for further study.

RECOMMENDATION 28: The Council should contract for technical assistance in conducting policy seminars.

Should the Council adopt our Recommendation 4 to sponsor a series of policy seminars, we recommend the Council contract with an outside consultant to assist Council staff in conducting the seminars. Such technical assistance would focus on facilitating the discussions.

RECOMMENDATION 29: The Council should conduct an evaluation of the effects of any changes in the incentive structure and performance standards on JTPA services to clients.

One of the major features of JTPA is the reliance on incentives and performance standards to shape the behavior of service providers. To the extent that the Council chooses to alter the incentive structure or performance standards to match statewide policy targets, the Council needs to have adequate information to assess the extent of the changes made by SDAs and service providers in response. Certain changes may have no impact, while others may yield unintended impacts on the local service delivery system. Changes to the incentive and performance standards are among the most powerful tools the Council has to effect change, but they must be used carefully in order to achieve the desired effect. In order for the Council to ascertain the effects of such changes, we recommend the Council conduct an evaluation of the long- and short-term impacts on JTPA services to clients. Much of the data needed for these analyses are stored in JTPD data bases; however, they must be manipulated extensively to provide the needed information.

RECOMMENDATION 30: The Council should examine the quality of JTPA funded On-The-Job (OJT) training.

In our survey of employers, we found that the benefit most frequently mentioned by employers participating in JTPA was the wage subsidy for OJT. Given the prevalence of OJT training in JTPA programs, a serious evaluation question is whether OJT serves primarily as a subsidy for the first 30 days of employment, or whether the client actually receives training. Whether written training plans are requested from OJT employers appears to vary across SDAs and contract service providers. It could be argued that experience of any sort is valuable, but we suggest that the Council take a closer look at what the JTPA monies are buying in terms of OJT training.

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XI. GLOSSARY OF TERMS

CLASSROOM TRAINING: Skill or occupational training usually given in an institutional setting.

COMMUNITY-BASED ORGANIZATION: A private nonprofit organization which is representative of the community or of a significant segment of a community, and which provides services and activities within that community.

CONSOLIDATED WORK PROGRAM FUND: State and federal funds, to the extent permitted by federal law, received for the operation of employment and training services, and categorical funds for demonstrative and special assistance programs (see FESA Section 15082).

DISPLACED/DISLOCATED WORKER: Individuals who have been terminated or who have received notice of termination of employment due to plant closure or mass layoffs; who are eligible for or have exhausted unemployment compensation, and are unlikely to return to their previous employment.

EMPLOYMENT GENERATING SERVICES: Services, for the purpose of JTPA, that result in the creation or expansion of employment opportunities for individuals eligible under the Act. EGS may not directly relate to the provision of training or employment for participants.

EMPLOYMENT TRAINING FUND: A fund authorized by AB 3461 and financed by diverting 0.1 percent of California's State Unemployment Insurance Tax. The fund is used to provide retraining programs for unemployment compensation beneficiaries.

EMPLOYMENT TRAINING PANEL (ETP): A seven-member body with the authority and responsibility to administer the employment training fund. The Panel provides employment training programs which meet employers' needs for skilled workers by providing skills training to unemployment insurance claimants, exhaustees of unemployment insurance who have remained unemployed, and potentially displaced workers who would otherwise become unemployment insurance claimants.

ENTERED EMPLOYMENT: JTPA participants are counted as having entered employment if they have secured unsubsidized employment.

FAMILY ECONOMIC SECURITY ACT (FESA): State legislation enacted to implement the federal Job Training Partnership Act within California and to integrate benefits and services under the AFDC program with employment services.

GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN (GCSSP): A plan covering two program years which describes the state's goals and objectives and how resources provided under JTPA will be used within the state. The plan also evaluates the experience of the previous two years.

GOVERNOR'S DISCRETIONARY FUNDS: Such sums, totaling 22 percent of the state's annual Title IIA allocation, reserved by the Governor for the following purposes:

1. Eight percent shall be available for state education programs
2. Three percent shall be available for training programs for older workers
3. Six percent shall be used to provide incentive grants
4. Five percent shall be available for auditing expenses, administrative expenses, and costs necessary to operate the SJTCC.

JOB TRAINING PARTNERSHIP ACT (JTPA): Federal legislation enacted to establish job training programs for economically disadvantaged individuals and others facing serious barriers to employment. JTPA, in replacing CETA, shifts responsibility for local plan approval, fiscal oversight and program performance activities from the Department of Labor to the state.

JOB TRAINING PLAN: A planning document jointly prepared by the PIC and the CEO of an SDA, covering two program years, and containing descriptions of the following:

1. Methods and processes for carrying out job preparation and training services within a service delivery area
2. Objectives to be achieved
3. How funds are to be used
4. Level of performance to be achieved.

NEEDS-BASED PAYMENTS: Payments provided to participants in cases where absence of such payments would prohibit an individual from participation in a training program. Such payments are based on need in accordance with a locally developed formula.

OLDER WORKER: Under JTPA, a person 55 years of age or older.

ON-THE-JOB TRAINING (OJT): Training in the private or public sector given to a participant who has been hired first by the employer, and which occurs while the participant is engaged in productive work which provides knowledge or skills essential to the full and adequate performance of the job.

PARTICIPANT: An individual who meets eligibility criteria and who is enrolled in an employment and training program funded by JTPA.

PERFORMANCE STANDARDS: Indicators used to measure levels of achievement in the operation of programs.

SCHOOL DROPOUT: A person who has neither graduated nor obtained a high school equivalency diploma (GED).

STATE JOB TRAINING COORDINATING COUNCIL (SJTCC): Appointed by the Governor, the Council's function is to plan, monitor, and coordinate employment and training programs and services in the state. The Council is not permitted to operate programs or provide services directly to eligible participants.

SUPPORTIVE SERVICES: Services needed to enable an eligible individual to participate in employment and training programs funded under JTPA. Such services may include transportation, health care, special services for the handicapped, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation.

TERMINATIONS: Participants who left JTPA programs for any reason.

VETERAN: A person who served on active duty for more than 180 days and was discharged with other than a dishonorable discharge, or because of a service connected disability.

WAGNER-PEYSER ACT: Legislation that established a federal program of free employment offices and provided for a nationwide framework for public employment efforts. In California, Wagner-Peyser funds are administered by EDD.

YOUTH: Individuals aged 16 through 21. However, JTPA provides that preemployment skills training programs and summer youth programs may include youth aged 14 and 15 years.

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: GAIN			
		LOW	MED. LOW	MED HIGH	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	17.80	15.16	17.02	12.16
	STD	9.63	5.82	11.99	.
	N	15.00	12.00	10.00	1.00
VARIANCE ENT EMPLMNT ADULT	MEAN	22.53	19.12	20.74	67.89
	STD	13.19	17.97	13.15	.
	N	15.00	12.00	10.00	1.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	65.81	53.32	55.70	129.06
	STD	51.68	41.33	37.38	.
	N	15.00	12.00	10.00	1.00
VARIANCE POS TERM YOUTH	MEAN	11.32	9.72	10.70	41.61
	STD	8.48	9.95	6.45	.
	N	15.00	12.00	10.00	1.00
VARIANCE COST POS TERM YOUTH	MEAN	29.75	28.02	38.33	31.69
	STD	17.10	24.03	20.95	.
	N	15.00	12.00	10.00	1.00
VARIANCE COST ENT EMPL ADULT	MEAN	25.35	26.53	34.45	49.11
	STD	18.89	18.05	22.88	.
	N	15.00	12.00	10.00	1.00
VARIANCE ENT EMPL ADLT WELF	MEAN	26.93	25.31	31.39	88.16
	STD	19.28	22.43	16.61	.
	N	15.00	12.00	10.00	1.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	199.48	179.19	208.35	419.68
	STD	78.95	97.04	71.50	.
	N	15.00	12.00	10.00	1.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: EDD		
		LOW	MED. LOW	MED HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	17.06	18.53	15.18
	STD	6.62	11.02	8.71
	N	12.00	16.00	20.00
VARIANCE ENT EMPLMNT ADULT	MEAN	29.17	25.60	16.60
	STD	20.37	16.47	11.74
	N	12.00	16.00	20.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	65.65	63.70	57.62
	STD	56.64	30.12	41.20
	N	12.00	16.00	20.00
VARIANCE POS TERM YOUTH	MEAN	12.77	13.65	9.17
	STD	12.30	9.42	8.46
	N	12.00	16.00	20.00
VARIANCE COST POS TERM YOUTH	MEAN	19.25	34.94	36.71
	STD	17.56	17.09	22.96
	N	12.00	16.00	20.00
VARIANCE COST ENT EMPL ADULT	MEAN	25.01	35.52	29.68
	STD	18.74	18.15	17.60
	N	12.00	16.00	20.00
VARIANCE ENT EMPL ADLT WELF	MEAN	35.99	34.77	21.75
	STD	26.26	23.21	16.26
	N	12.00	16.00	20.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	204.90	226.71	186.73
	STD	110.61	90.74	71.68
	N	12.00	16.00	20.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: ECON. DEVELOP			
		LOW	MED. LOW	MED HIGH	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	16.24	15.28	16.75	16.96
	STD	7.75	9.39	9.91	6.80
	N	11.00	16.00	15.00	2.00
VARIANCE ENT EMPLMNT ADULT	MEAN	17.65	26.05	18.99	47.17
	STD	9.56	19.91	13.21	29.30
	N	11.00	16.00	15.00	2.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	72.55	57.63	53.40	74.74
	STD	56.01	37.86	34.61	76.81
	N	11.00	16.00	15.00	2.00
VARIANCE POS TERM YOUTH	MEAN	9.73	13.63	8.16	29.13
	STD	8.99	8.73	9.79	17.65
	N	11.00	16.00	15.00	2.00
VARIANCE COST POS TERM YOUTH	MEAN	26.57	28.62	39.40	23.24
	STD	22.24	15.55	21.28	11.95
	N	11.00	16.00	15.00	2.00
VARIANCE COST ENT EMPL ADULT	MEAN	15.95	31.16	38.29	31.26
	STD	14.78	15.50	18.77	25.24
	N	11.00	16.00	15.00	2.00
VARIANCE ENT EMPL ADLT WELF	MEAN	20.27	33.86	25.86	60.14
	STD	13.61	25.63	17.10	39.63
	N	11.00	16.00	15.00	2.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	178.95	206.24	200.84	282.65
	STD	70.02	91.70	62.78	193.78
	N	11.00	16.00	15.00	2.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: PRIVATE SECTOR			
		LOW	MED. LOW	MED HIGH	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	15.99	16.79	16.93	18.77
	STD	8.90	7.51	10.86	7.01
	N	12.00	14.00	19.00	3.00
VARIANCE ENT EMPLMNT ADULT	MEAN	28.63	20.74	21.56	16.09
	STD	17.45	18.91	14.63	8.71
	N	12.00	14.00	19.00	3.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	66.83	60.57	56.74	77.15
	STD	29.43	52.35	39.57	58.62
	N	12.00	14.00	19.00	3.00
VARIANCE POS TERM YOUTH	MEAN	11.31	13.85	10.43	9.08
	STD	6.91	12.66	9.91	5.64
	N	12.00	14.00	19.00	3.00
VARIANCE CUST POS TERM YOUTH	MEAN	32.19	33.99	31.63	20.34
	STD	18.96	19.81	24.27	9.92
	N	12.00	14.00	19.00	3.00
VARIANCE CUST ENT_EMPL_ADULT	MEAN	32.05	34.05	28.96	16.84
	STD	12.86	18.04	20.15	25.45
	N	12.00	14.00	19.00	3.00
VARIANCE ENT EMPL ADLT WELF	MEAN	34.92	29.45	27.56	22.78
	STD	26.64	24.66	18.10	18.39
	N	12.00	14.00	19.00	3.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	221.92	209.45	193.81	181.05
	STD	89.47	91.36	92.70	73.80
	N	12.00	14.00	19.00	3.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: COMM. COLLEGE		
		LOW	MED. LOW	MED HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	17.32	15.94	18.43
	STD	9.21	8.67	11.26
	N	18.00	24.00	6.00
VARIANCE ENT EMPLMNT ADULT	MEAN	20.65	23.59	25.63
	STD	14.68	18.50	13.81
	N	18.00	24.00	6.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	59.76	62.62	63.47
	STD	45.78	35.69	57.75
	N	18.00	24.00	6.00
VARIANCE POS TERM YOUTH	MEAN	12.45	11.06	10.91
	STD	6.75	12.43	6.35
	N	18.00	24.00	6.00
VARIANCE COST POS TERM YOUTH	MEAN	30.67	33.08	29.74
	STD	15.05	25.83	14.39
	N	18.00	24.00	6.00
VARIANCE COST ENT EMPL ADULT	MEAN	31.40	31.17	24.81
	STD	17.14	18.92	20.10
	N	18.00	24.00	6.00
VARIANCE ENT EMPL ADLT WELF	MEAN	26.94	29.43	38.69
	STD	19.30	25.16	16.24
	N	18.00	24.00	6.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	199.18	206.89	211.69
	STD	75.70	105.55	54.99
	N	18.00	24.00	6.00

		COORDINATION LEVEL: SECON ED/ROP			
		LOW	MED. LOW	MED HIGH	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	17.29	16.31	15.41	42.10
	STD	7.23	10.14	5.45	.
	N	9.00	24.00	14.00	1.00
VARIANCE ENT EMPLMNT ADULT	MEAN	22.61	23.92	19.63	39.45
	STD	8.76	16.50	20.20	.
	N	9.00	24.00	14.00	1.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	37.73	77.23	49.64	71.40
	STD	29.25	38.89	45.57	.
	N	9.00	24.00	14.00	1.00
VARIANCE POS TERM YOUTH	MEAN	10.18	13.40	9.45	9.39
	STD	7.54	9.17	12.42	.
	N	9.00	24.00	14.00	1.00
VARIANCE COST POS TERM YOUTH	MEAN	23.80	36.21	28.74	38.72
	STD	21.80	19.98	21.70	.
	N	9.00	24.00	14.00	1.00
VARIANCE COST ENT EMPL ADULT	MEAN	30.00	33.18	24.31	55.46
	STD	14.93	16.11	22.15	.
	N	9.00	24.00	14.00	1.00
VARIANCE ENT EMPL ADLT WELF	MEAN	25.67	32.55	26.82	35.62
	STD	12.99	21.08	28.79	.
	N	9.00	24.00	14.00	1.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	167.29	232.80	173.99	292.14
	STD	56.01	73.06	114.25	.
	N	9.00	24.00	14.00	1.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: COO			
		LOW	MED. LOW	MED HIGH	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	17.60	19.45	11.07	10.73
	STD	7.82	10.59	4.36	.
	N	15.00	21.00	11.00	1.00
VARIANCE ENT EMPLMNT ADULT	MEAN	27.42	21.23	18.18	34.64
	STD	20.02	13.65	15.95	.
	N	15.00	21.00	11.00	1.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	65.07	62.82	54.34	66.34
	STD	34.64	50.34	36.62	.
	N	15.00	21.00	11.00	1.00
VARIANCE POS TERM YOUTH	MEAN	11.86	10.09	12.90	23.33
	STD	12.60	9.31	6.04	.
	N	15.00	21.00	11.00	1.00
VARIANCE COST POS TERM YOUTH	MEAN	33.16	29.43	34.06	34.22
	STD	20.41	20.74	23.83	.
	N	15.00	21.00	11.00	1.00
VARIANCE COST ENT EMPL ADULT	MEAN	37.05	26.32	29.81	25.74
	STD	17.90	19.13	16.21	.
	N	15.00	21.00	11.00	1.00
VARIANCE ENT EMPL ADLT WELF	MEAN	36.65	26.59	25.25	37.44
	STD	23.63	19.56	24.82	.
	N	15.00	21.00	11.00	1.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	228.80	195.93	185.59	232.64
	STD	85.35	93.74	87.80	.
	N	15.00	21.00	11.00	1.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: UNIONS		
		LOW	MED. LOW	MED HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	16.04	18.09	13.68
	STD	8.83	7.60	.
	N	39.00	7.00	1.00
VARIANCE ENT EMPLMNT ADULT	MEAN	23.07	22.54	6.48
	STD	17.37	12.01	.
	N	39.00	7.00	1.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	62.86	51.28	26.05
	STD	43.29	27.92	.
	N	39.00	7.00	1.00
VARIANCE POS TERM YOUTH	MEAN	11.63	12.02	6.06
	STD	10.37	8.58	.
	N	39.00	7.00	1.00
VARIANCE COST POS TERM YOUTH	MEAN	32.04	29.37	33.02
	STD	20.71	25.71	.
	N	39.00	7.00	1.00
VARIANCE COST ENT_EMPL_ADULT	MEAN	32.51	24.02	11.83
	STD	18.71	13.56	.
	N	39.00	7.00	1.00
VARIANCE ENT EMPL ADLT WELF	MEAN	31.23	24.72	0.94
	STD	23.01	16.43	.
	N	39.00	7.00	1.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	209.38	182.05	98.06
	STD	91.93	66.96	.
	N	39.00	7.00	1.00

		COORDINATION LEVEL: SOCIAL SERVICE		
		LOW	MED. LOW	MED HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	15.67	18.71	20.16
	STD	7.67	12.15	12.03
	N	34.00	7.00	7.00
VARIANCE ENT EMPLMNT ADULT	MEAN	22.07	31.14	17.60
	STD	15.41	23.36	11.70
	N	34.00	7.00	7.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	65.54	51.50	52.93
	STD	40.75	46.30	45.25
	N	34.00	7.00	7.00
VARIANCE POS TERM YOUTH	MEAN	10.22	15.15	14.49
	STD	9.58	13.94	5.04
	N	34.00	7.00	7.00
VARIANCE COST POS TERM YOUTH	MEAN	30.34	33.58	36.83
	STD	21.28	15.61	24.65
	N	34.00	7.00	7.00
VARIANCE COST ENT EMPL ADULT	MEAN	28.62	34.52	35.33
	STD	16.72	20.74	23.33
	N	34.00	7.00	7.00
VARIANCE ENT EMPL ADLT WELF	MEAN	27.85	38.64	29.41
	STD	21.87	31.39	8.81
	N	34.00	7.00	7.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	200.32	223.25	206.75
	STD	85.13	119.96	84.31
	N	34.00	7.00	7.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: ELECTD OFFICL		
		LOW	MED. LOW	MED HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	17.32	12.05	17.47
	STD	9.14	6.38	10.47
	N	25.00	8.00	8.00
VARIANCE ENT EMPLMNT ADULT	MEAN	23.64	17.93	25.94
	STD	16.04	17.34	21.17
	N	25.00	8.00	8.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	70.19	45.32	60.85
	STD	41.44	34.36	45.25
	N	25.00	8.00	8.00
VARIANCE POS TERM YOUTH	MEAN	11.46	11.51	13.91
	STD	9.58	10.07	13.95
	N	25.00	8.00	8.00
VARIANCE COST POS TERM YOUTH	MEAN	33.45	33.48	25.86
	STD	24.26	18.87	11.91
	N	25.00	8.00	8.00
VARIANCE COST ENT EMPL ADULT	MEAN	34.10	25.50	24.72
	STD	16.71	12.54	18.67
	N	25.00	8.00	8.00
VARIANCE ENT EMPL ADLT WELF	MEAN	30.19	23.92	30.93
	STD	21.37	25.76	27.95
	N	25.00	8.00	8.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	220.35	169.73	199.69
	STD	85.83	75.83	121.48
	N	25.00	8.00	8.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: PROP. SCHOOLS			
		LOW	MED. LOW	MED HIGH	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	14.96	18.50	16.11	18.43
	STD	8.45	9.24	7.88	.
	N	29.00	13.00	3.00	1.00
VARIANCE ENT EMPLMNT ADULT	MEAN	23.37	20.89	20.13	34.63
	STD	16.91	18.06	15.05	.
	N	29.00	13.00	3.00	1.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	60.84	64.23	73.90	17.94
	STD	30.43	54.89	68.33	.
	N	29.00	13.00	3.00	1.00
VARIANCE POS TERM YOUTH	MEAN	11.81	10.56	15.62	18.78
	STD	9.36	12.11	4.81	.
	N	29.00	13.00	3.00	1.00
VARIANCE COST POS TERM YOUTH	MEAN	34.01	28.58	32.71	29.71
	STD	21.74	21.48	13.91	.
	N	29.00	13.00	3.00	1.00
VARIANCE COST ENT EMPL ADULT	MEAN	33.28	30.28	12.86	41.94
	STD	18.52	15.22	23.01	.
	N	29.00	13.00	3.00	1.00
VARIANCE ENT EMPL ADLT WELF	MEAN	30.58	27.08	30.14	40.03
	STD	23.44	22.78	21.90	.
	N	29.00	13.00	3.00	1.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	208.85	200.11	201.47	201.46
	STD	87.31	97.36	97.18	.
	N	29.00	13.00	3.00	1.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		COORDINATION LEVEL: OVERALL			
		LOW	MED. LOW	MED HIGH	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	21.24	15.03	18.52	11.06
	STD	9.82	7.91	11.85	.
	N	8.00	30.00	8.00	1.00
VARIANCE ENT EMPLMNT ADULT	MEAN	34.40	18.85	28.45	7.42
	STD	13.73	14.66	20.69	.
	N	8.00	30.00	8.00	1.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	64.64	58.59	73.98	21.78
	STD	37.18	43.96	42.67	.
	N	8.00	30.00	8.00	1.00
VARIANCE POS TERM YOUTH	MEAN	15.47	8.99	18.11	2.83
	STD	10.19	9.08	9.96	.
	N	8.00	30.00	8.00	1.00
VARIANCE COST POS TERM YOUTH	MEAN	30.67	31.23	37.26	12.55
	STD	22.26	21.06	21.92	.
	N	8.00	30.00	8.00	1.00
VARIANCE COST ENT EMPL ADULT	MEAN	33.34	27.47	38.79	39.75
	STD	18.43	17.46	21.33	.
	N	8.00	30.00	8.00	1.00
VARIANCE ENT EMPL ADLT WELF	MEAN	44.02	22.75	44.94	2.88
	STD	18.69	19.65	22.42	.
	N	8.00	30.00	8.00	1.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	243.79	182.39	260.06	98.27
	STD	97.33	80.45	87.41	.
	N	8.00	30.00	8.00	1.00

		IMPACT OF INITIATIVES: YOUTH		
		LOW	MEDIUM	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	16.48	18.73	10.12
	STD	9.17	10.75	4.45
	N	36.00	7.00	2.00
VARIANCE ENT EMPLMNT ADULT	MEAN	25.12	14.58	11.99
	STD	17.53	9.91	15.86
	N	36.00	7.00	2.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	65.44	53.14	65.96
	STD	42.20	45.53	39.59
	N	36.00	7.00	2.00
VARIANCE POS TERM YOUTH	MEAN	12.43	9.59	12.23
	STD	10.65	6.18	10.20
	N	36.00	7.00	2.00
VARIANCE COST POS TERM YOUTH	MEAN	32.28	32.11	47.22
	STD	19.99	16.88	23.79
	N	36.00	7.00	2.00
VARIANCE COST ENT EMPL ADULT	MEAN	32.81	19.20	31.91
	STD	18.45	17.36	6.97
	N	36.00	7.00	2.00
VARIANCE ENT EMPL ADLT WELF	MEAN	33.60	16.95	3.68
	STD	22.66	15.17	23.46
	N	36.00	7.00	2.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	218.15	164.29	189.15
	STD	89.05	83.90	115.42
	N	36.00	7.00	2.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		IMPACT OF INITIATIVES: STANDARS		
		LOW	MEDIUM	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	15.41	17.19	20.36
	STD	8.88	9.22	12.03
	N	25.00	15.00	5.00
VARIANCE ENT EMPLMNT ADULT	MEAN	21.84	25.86	19.26
	STD	17.08	17.46	15.85
	N	25.00	15.00	5.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	55.67	78.07	59.40
	STD	37.11	47.17	45.37
	N	25.00	15.00	5.00
VARIANCE POS TERM YOUTH	MEAN	12.04	10.30	16.73
	STD	7.13	13.61	9.79
	N	25.00	15.00	5.00
VARIANCE COST POS TERM YOUTH	MEAN	35.01	27.32	39.24
	STD	19.69	21.41	6.96
	N	25.00	15.00	5.00
VARIANCE COST ENT EMPL ADULT	MEAN	34.99	24.45	27.57
	STD	16.97	20.72	14.49
	N	25.00	15.00	5.00
VARIANCE ENT EMPL ADLT WELF	MEAN	29.39	33.39	22.41
	STD	22.55	23.48	22.32
	N	25.00	15.00	5.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	204.34	216.57	204.96
	STD	89.64	92.22	96.80
	N	25.00	15.00	5.00

		IMPACT OF INITIATIVES: GAIN COORD		
		LOW	MEDIUM	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	16.31	13.78	20.57
	STD	8.29	10.26	7.95
	N	23.00	13.00	6.00
VARIANCE ENT EMPLMNT ADULT	MEAN	23.34	24.60	14.80
	STD	17.93	17.56	10.85
	N	23.00	13.00	6.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	66.13	67.46	43.64
	STD	45.10	42.66	28.44
	N	23.00	13.00	6.00
VARIANCE POS TERM YOUTH	MEAN	12.03	12.16	6.39
	STD	8.79	11.99	7.96
	N	23.00	13.00	6.00
VARIANCE COST POS TERM YOUTH	MEAN	31.63	27.23	41.04
	STD	19.07	21.94	12.34
	N	23.00	13.00	6.00
VARIANCE COST ENT EMPL ADULT	MEAN	29.71	26.04	38.10
	STD	17.86	18.68	24.17
	N	23.00	13.00	6.00
VARIANCE ENT EMPL ADLT WELF	MEAN	29.00	31.69	26.27
	STD	23.64	23.63	12.68
	N	23.00	13.00	6.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	208.14	202.96	190.81
	STD	79.71	106.09	72.10
	N	23.00	13.00	6.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		IMPACT OF INITIATIVES: ECON. DEVELP		
		LOW	MEDIUM	HIGH
VARIANCE AVG PLACEMNT WAGE	MEAN	16.87	15.39	16.71
	STD	9.96	8.73	7.86
	N	29.00	9.00	7.00
VARIANCE ENT EMPLMNT ADULT	MEAN	23.87	28.00	12.21
	STD	15.69	19.70	15.44
	N	29.00	9.00	7.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	62.17	70.12	60.82
	STD	44.76	38.68	38.01
	N	29.00	9.00	7.00
VARIANCE POS TERM YOUTH	MEAN	10.88	17.33	9.66
	STD	8.00	14.21	10.11
	N	29.00	9.00	7.00
VARIANCE COST POS TERM YOUTH	MEAN	31.75	31.87	39.09
	STD	17.48	23.23	24.18
	N	29.00	9.00	7.00
VARIANCE COST ENT EMPL ADULT	MEAN	28.28	28.76	42.89
	STD	17.44	19.51	18.51
	N	29.00	9.00	7.00
VARIANCE ENT EMPL ADLT WELF	MEAN	30.29	33.75	23.63
	STD	21.95	26.71	21.48
	N	29.00	9.00	7.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	204.10	225.30	205.01
	STD	86.16	115.06	75.21
	N	29.00	9.00	7.00

		IS LOCAL TOP MGT. ON COUNCIL?	
		YES	NO
VARIANCE AVG PLACEMNT WAGE	MEAN	16.17	17.41
	STD	8.58	9.57
	N	28.00	18.00
VARIANCE ENT EMPLMNT ADULT	MEAN	23.39	22.36
	STD	15.36	18.73
	N	28.00	18.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	63.04	56.74
	STD	44.67	30.83
	N	28.00	18.00
VARIANCE POS TERM YOUTH	MEAN	11.11	11.97
	STD	8.64	12.17
	N	28.00	18.00
VARIANCE COST POS TERM YOUTH	MEAN	35.80	24.09
	STD	21.02	19.62
	N	28.00	18.00
VARIANCE COST ENT EMPL ADULT	MEAN	30.80	26.60
	STD	18.21	15.76
	N	28.00	18.00
VARIANCE ENT EMPL ADLT WELF	MEAN	29.96	28.32
	STD	21.12	25.02
	N	28.00	18.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	210.26	187.49
	STD	88.75	90.74
	N	28.00	18.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		DOES SDA USE PERFORM. BASED CONTRACT?		
		YES/ALL	YES/SOME	NO
VARIANCE AVG PLACEMNT WAGE	MEAN	18.20	16.24	15.86
	STD	8.70	8.87	11.19
	N	16.00	22.00	9.00
VARIANCE ENT EMPLMNT ADULT	MEAN	22.25	23.51	23.57
	STD	15.14	16.95	18.94
	N	16.00	22.00	9.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	62.35	55.46	79.52
	STD	49.53	38.33	33.65
	N	16.00	22.00	9.00
VARIANCE POS TERM YOUTH	MEAN	10.34	12.32	12.48
	STD	8.94	11.06	9.44
	N	16.00	22.00	9.00
VARIANCE COST POS TERM YOUTH	MEAN	27.51	31.51	39.77
	STD	18.29	19.70	28.03
	N	16.00	22.00	9.00
VARIANCE COST ENT EMPL ADULT	MEAN	23.44	30.71	44.40
	STD	15.95	16.28	20.00
	N	16.00	22.00	9.00
VARIANCE ENT EMPL ADLT WELF	MEAN	27.63	28.79	38.55
	STD	21.52	20.80	25.47
	N	16.00	22.00	9.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	191.72	198.54	254.14
	STD	87.31	83.28	95.54
	N	16.00	22.00	9.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		BEST DESCRIPTION OF CONTRACT ARRANG			
		LINE BUDGET	PER PART.	100%	OTHER
VARIANCE AVG PLACEMNT WAGE	MEAN	16.62	18.27	14.80	10.11
	STD	9.08	10.46	6.26	.
	N	17.00	20.00	9.00	1.00
VARIANCE ENT EMPLMNT ADULT	MEAN	23.97	24.20	19.95	14.31
	STD	17.54	16.99	14.78	.
	N	17.00	20.00	9.00	1.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	64.02	64.51	57.74	35.39
	STD	39.65	47.82	36.67	.
	N	17.00	20.00	9.00	1.00
VARIANCE POS TERM YOUTH	MEAN	11.16	13.22	10.49	0.32
	STD	10.99	10.21	7.21	.
	N	17.00	20.00	9.00	1.00
VARIANCE COST POS TERM YOUTH	MEAN	30.31	29.95	38.29	32.36
	STD	25.88	13.50	26.59	.
	N	17.00	20.00	9.00	1.00
VARIANCE COST ENT EMPL ADULT	MEAN	34.73	26.23	32.63	41.65
	STD	17.95	17.30	20.75	.
	N	17.00	20.00	9.00	1.00
VARIANCE ENT EMPL ADLT WELF	MEAN	34.05	28.33	29.04	15.49
	STD	22.76	22.45	21.17	.
	N	17.00	20.00	9.00	1.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	214.86	204.71	202.94	149.63
	STD	100.60	93.34	57.34	.
	N	17.00	20.00	9.00	1.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		MANIPULATION OF REPORTING SYSTEM?	
		YES	NO
VARIANCE AVG PLACEMNT WAGE	MEAN	16.74	16.43
	STD	10.52	8.78
	N	12.00	34.00
VARIANCE ENT EMPLMNT ADULT	MEAN	26.38	21.60
	STD	19.14	15.90
	N	12.00	34.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	64.72	58.03
	STD	37.85	42.42
	N	12.00	34.00
VARIANCE POS TERM YOUTH	MEAN	16.19	9.89
	STD	12.30	8.76
	N	12.00	34.00
VARIANCE COST POS TERM YOUTH	MEAN	30.01	32.81
	STD	19.43	21.93
	N	12.00	34.00
VARIANCE COST ENT EMPL ADULT	MEAN	28.46	32.64
	STD	20.53	16.38
	N	12.00	34.00
VARIANCE ENT EMPL ADLT WELF	MEAN	32.71	28.39
	STD	25.26	21.71
	N	12.00	34.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	215.22	199.80
	STD	112.13	83.16
	N	12.00	34.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		OFFER BILINGUAL PROGRAM?	
		YES	NO
VARIANCE AVG PLACEMNT WAGE	MEAN	17.93	13.72
	STD	8.95	7.45
	N	26.00	18.00
VARIANCE ENT EMPLMNT ADULT	MEAN	20.71	23.32
	STD	14.58	19.75
	N	26.00	18.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	59.19	62.57
	STD	43.62	39.13
	N	26.00	18.00
VARIANCE POS TERM YOUTH	MEAN	11.67	10.52
	STD	8.07	12.63
	N	26.00	18.00
VARIANCE COST POS TERM YOUTH	MEAN	34.76	27.83
	STD	20.96	22.43
	N	26.00	18.00
VARIANCE COST ENT EMPL ADULT	MEAN	30.22	31.32
	STD	18.66	15.89
	N	26.00	18.00
VARIANCE ENT EMPL ADLT WELF	MEAN	27.35	31.11
	STD	19.62	27.38
	N	26.00	18.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	201.84	200.38
	STD	89.74	96.62
	N	26.00	18.00

RELATIONSHIPS OF PERFORMANCE MEASURES AND SDA CHARACTERISTICS

		CHARACTERIZE SDA			
		PVT. SECTOR	SERVICE PROV.	GOVT	PARTNER
VARIANCE AVG PLACEMNT WAGE	MEAN	24.78	11.42	16.22	18.87
	STD	.	1.54	8.25	11.38
	N	1.00	4.00	29.00	14.00
VARIANCE ENT EMPLMNT ADULT	MEAN	16.01	32.60	21.16	23.70
	STD	.	18.05	17.65	13.62
	N	1.00	4.00	29.00	14.00
VARIANCE ENT EMPLMNT YOUTH	MEAN	71.13	73.36	64.98	50.76
	STD	.	35.89	41.85	44.90
	N	1.00	4.00	29.00	14.00
VARIANCE POS TERM YOUTH	MEAN	13.80	18.33	10.24	12.20
	STD	.	8.71	11.32	6.18
	N	1.00	4.00	29.00	14.00
VARIANCE COST POS TERM YOUTH	MEAN	31.51	39.79	30.24	32.63
	STD	.	18.83	22.00	20.34
	N	1.00	4.00	29.00	14.00
VARIANCE COST ENT EMPL ADULT	MEAN	21.33	31.27	30.46	30.89
	STD	.	18.34	18.26	19.69
	N	1.00	4.00	29.00	14.00
VARIANCE ENT EMPL ADLT WELF	MEAN	26.32	40.17	28.14	30.02
	STD	.	28.46	23.14	19.41
	N	1.00	4.00	29.00	14.00
TOTAL VARIANCE (SUM OF VARIANCES)	MEAN	204.88	246.95	201.42	199.06
	STD	.	111.94	85.63	95.72
	N	1.00	4.00	29.00	14.00

APPENDIX B

SUMMARY RESULTS OF EMPLOYER SURVEY

1. Type of Business Surveyed	Participant	Comparison	Total
a. Agriculture, Forestry & Fishing	5	0	5
b. Mining	1	0	1
c. Construction	17	13	30
d. Manufacturing	40	7	46
e. Transportation, Communications, Public Utilities	12	4	17
f. Wholesale Trade	11	2	16
g. Retail Trade	32	42	73
h. Finance, Insurance & Real Estate	15	11	26
i. Services	117	160	277
j. Public Services	26	10	36
k. No Response/Other	9	6	13
Total	285	255	540

2. Number of Full-Time Employees at This Location	Participant	Comparison	Total
Total	54,437	17,055	71,492
Average	191	67	132

3. Percent of Total Jobs Classified as Entry Level	Participant	Comparison	Total
Number Responding	285	255	540
Type of Business			
a. Agriculture, Forestry & Fishing	10%	0	N/A
b. Mining	20	0	N/A
c. Construction	31%	31%	N/A
d. Manufacturing	38%	13%	N/A
e. Transportation, Communications, Public Utilities	43%	15%	N/A
f. Wholesale Trade	45%	45%	N/A
g. Retail Trade	48%	35%	N/A
h. Finance, Insurance & Real Estate	33%	32%	N/A
i. Services	38%	37%	N/A
j. Public Services	24%	43%	N/A

	Participant	Comparison	Total
4. Have You Heard of the JTPA or Your Local PIC?			
Number Responding	285	255	540
Yes	72%	48%	61%
No	21%	49%	34%
Unsure	3%	2%	2%
No Response	4%	1%	3%
5. How Did You Learn About the JTPA or PIC?			
Number Responding	285	255	540
Percent Checking Any of the Following Sources [a]			
a. Personal Contact with a PIC Member	19%	5%	12%
b. Chamber of Commerce/Other Business Group	6%	3%	4%
c. Contacts with the Private Industry Council (PIC)	23%	14%	19%
d. Radio/TV/Newspaper Ads or News	9%	13%	11%
e. Word-of-Mouth	17%	18%	17%
f. Your Employees	8%	3%	6%
g. Providers of Training Services	4%	0%	2%
h. Employment Development Department	3%	2%	3%
i. Economic Development Agency	1%	0%	1%
j. Other	8%	6%	4%

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[a] Responses may add to more than 100% because an employer could have checked more than one answer.

	Participant	Comparison	Total
6. Have You Participated in any of the Following Employment/Training Activities?			
Number Responding	285	255	540
Percent Checking Any of the Following Activities[a]			
a. Hired from a JTPA Program in the Past	51%	13%	33%
b. Had a JTPA On-the-Job Training (OJT) Contract	42%	9%	27%
c. Attended a PIC Meeting	14%	4%	9%
d. Served on a Job Training or Employment Advisory Committee	9%	1%	5%
e. Other	3%	1%	2%
f. No Participation	42%	84%	62%
7. How Satisfied Were You With the Skill Level and Job Readiness of Employees or Trainees Obtained Through the Program?[b]			
Number Responding	166	34	200
Very Satisfied	35%	29%	34%
Somewhat Satisfied	58%	67%	60%
Not Satisfied	7%	3%	6%
8. Would You Hire From This Program Again?			
Number Responding	166	33	199
Yes	92%	94%	92%
No	8%	6%	8%
9. Have You Been Involved in Planning a Training Program?			
Number Responding	285	255	540
Yes	23%	5%	15%
No	77%	95%	85%

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[b] Questions 7 and 8 asked only of employers who responded affirmatively to Question 6a and 6b.

	Participant	Comparison	Total
10. How Were You Involved in Planning a A Training Program?			
Number Responding[c]	65	14	79
Percent Checking Any of the Following Alternatives[a]			
a. Participated on an Advisory Council	31%	7%	27%
b. Used Company-Developed Training Material	48%	36%	46%
c. Used Company Staff or Equipment	54%	100%	62%
d. Identified Need for Training	20%	7%	18%
e. Designed Recruitment	23%	0%	19%
f. Other	28%	64%	34%
11. What Benefits Did You Receive From Participating in JTPA/PIC Training Programs?			
Number Responding	285	255	540
a. Percent Indicating They had Benefited	55%	13%	35%
b. Percent Indicating They had no Particular Benefit	6%	1%	4%
c. Percent Not Responding (Mostly Due to Not Using Program)	39%	86%	61%
Percent Checking Any of the Following Alternatives[d]			
Number Responding	157	33	190
d. Pre-Screening of Applicants	21%	12%	19%
e. Reduced Recruitment Costs	13%	9%	12%
f. Reduced Training Costs	15%	21%	16%
g. Reliable Source of New Employees	38%	30%	37%
h. Help in Meeting Affirmative Action Goals	9%	12%	9%
i. "P.R." Benefits in the Community	9%	12%	9%
j. Wage Subsidy for OJT	70%	69%	70%
k. Increased Profitability	4%	3%	4%
l. Increased Worker Productivity	11%	0%	9%

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c/Question 10 asked only of employers who responded affirmatively to Question 9.

d/Results expressed as percent of those who indicated they had benefited.

	Participant	Comparison	Total
12. What Are the Barriers to Businesses Participating in JTPA or Other JOB Training Programs?			
Number Responding	285	255	540
Percent Checking Any of the Following Alternatives[a]			
a. Too Much Paper-Work	11%	10%	10%
b. Poor Job Readiness of Participants	12%	10%	11%
c. Program Operators Don't Seem to Care	2%	1%	2%
d. Low Quality of Training	6%	6%	6%
e. No Need to Hire Entry-Level Employees; Hire Experienced Workers Only	6%	17%	12%
f. Prefer Other Sources for New Employees	4%	6%	5%
g. Must Hire Through a Union or Union Program	1%	2%	1%
h. Do Not Want to be Accountable to a Governmental Program	4%	4%	4%
i. Do Not Know About JTPA Services	23%	41%	31%
j. Prior Experience with Government Programs Unsatisfactory	4%	5%	5%
k. Takes Too Long to Get an Applicant from the Program	3%	3%	3%
l. Business is Too Small to do Much Hiring	4%	19%	11%
m. Other	29%	31%	30%

	Participant	Comparison	Total
13. Have You Hired Employees From Earlier Public Programs (e.g., CETA)?			
Number Responding	285	255	540
Yes	25%	14%	20%
No	70%	85%	77%
No Response	5%	1%	3%
14. How Did Your Involvement in Current JTPA/PIC Programs Compare to Your Experience With Other Programs?			
Number Responding[e]	71	36	107

	Better		No Different		Worse	
	Part.	Comp.	Part.	Comp.	Part.	Comp.
Focus on Employer Involvement	25%	3%	35%	8%	8%	0
Match to Employer Needs	37%	0	23%	8%	8%	3%
Job Readiness of Participants	38%	8%	25%	0	7%	3%
Quality of Training	28%	0	37%	6%	4%	0
Worthwhile/Efficient Use of Public Funds	34%	0	27%	8%	6%	0
Paper-Work Burden	14%	8%	49%	3%	6%	0

	Participant	Comparison	Total
15. Of Those Who Have Hired From CETA or Other Earlier Programs Percent Who Have Not Hired from JTPA	25%	64%	38%

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e/ Question 14 asked only of employers involved in both types of programs.

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